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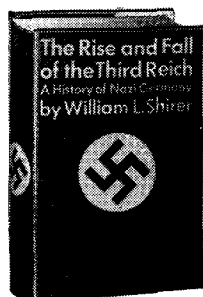
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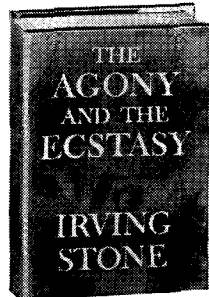
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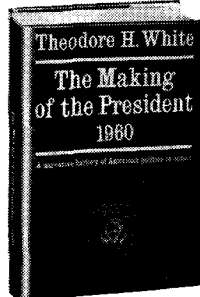
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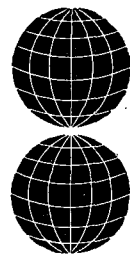
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MOSCOW

THE denunciation of Stalin and the “cult of the personality,” renewed at the 22nd Congress of the Communist Party last fall, followed much the same pattern as the speeches at the closed session of the 20th Congress in 1956. The West is well informed about the evils of Stalin and Stalinism; and Khrushchev, Mikoyan, and the lesser luminaries of the Soviet scene added little to the record. For the Russian people, however, the new attacks were sensational.

The earlier charges were made at secret sessions for restricted Party audiences. Eventually the West learned the full story, but the Soviet public got its version secondhand and well watered down. This time the Russians learned to their surprise that Stalin was so wicked that Lenin could not rest comfortably beside him. His memory was too vile to be linked any longer with heroic cities such as Stalingrad, though its inhabitants protested that their sacrifice, and not Stalin, had immortalized the name and that no one would ever pause to remember Volgograd.

In the Lenin mausoleum, the place that Stalin once occupied beside Lenin now gapes like an empty socket. Lenin, it seems, has not been moved back to his original resting place in the center of the mausoleum, the better to emphasize Stalin's denigration for the tens of thousands who file past the tomb. Stalin, now cremated, has been relegated to a place near the Kremlin wall. But, whereas Kalinin, Zhdanov, and his other new companions are remembered here with marble busts, Stalin merits only a slab, bearing his name and the dates of his birth and death, and a bunch of flowers, which the unknown donor replaces with fresh ones each day.

To many Russians, the curious factor in the denunciation of Stalin was its identification with the

cult of the personality rather than with his catalogue of crimes. As one Russian put it, “People say, isn't Khrushchev quite a big man? What about *his* cult of the personality?” Pravda led the press and radio in an explanation of the difference between Khrushchev's “authority of leadership” and Stalin's “cult of personality,” and pictures of Khrushchev on boardings and elsewhere have become noticeably less numerous.

Neither the explanations nor the playing down of Khrushchev has put an end to the doubts that have arisen among the Soviet people. There is psychological confusion, even among Party members. Many students do not appear to have been impressed by the Party's logic, and the state of Georgia, which has regarded Stalin as a symbol of nationalism, is especially disturbed.

The breach with Peiping

The denunciation of Stalin obviously went further than anyone expected. But whether it was initiated as the opening round of the new battle with the Chinese, who are now quite openly referred to as Stalinists, or was directed against the little Stalins of the Soviet Union, who have never ceased to ride roughshod over the factories and farms, is unclear. As the conference developed, however, the Stalin issue and the Chinese — and, of course, the Albanian scapegoats — became inseparable.

One view is that Khrushchev saw in China's current economic troubles a unique opportunity to assert his authority over Peiping. The blow-by-blow account of the Congress and the mounting anger on both sides tend to confirm this theory. Chou En-lai, in his speech to the Congress on October 19, when he criticized Khrushchev — though not by name — for his attacks on Albania, said pointedly that, if necessary, China could handle

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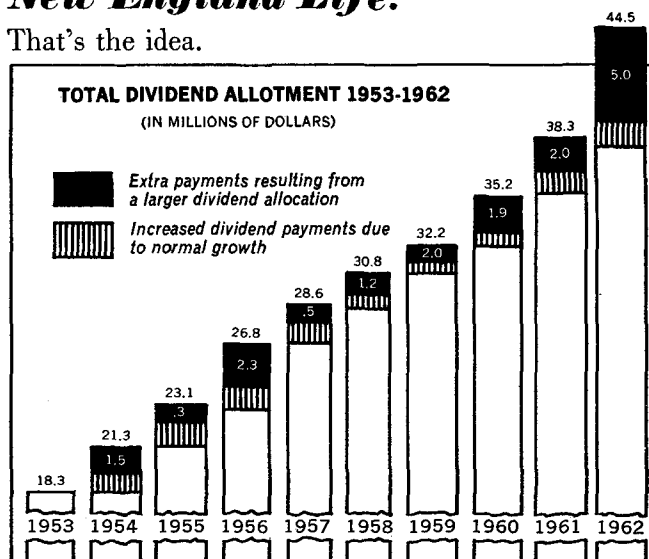
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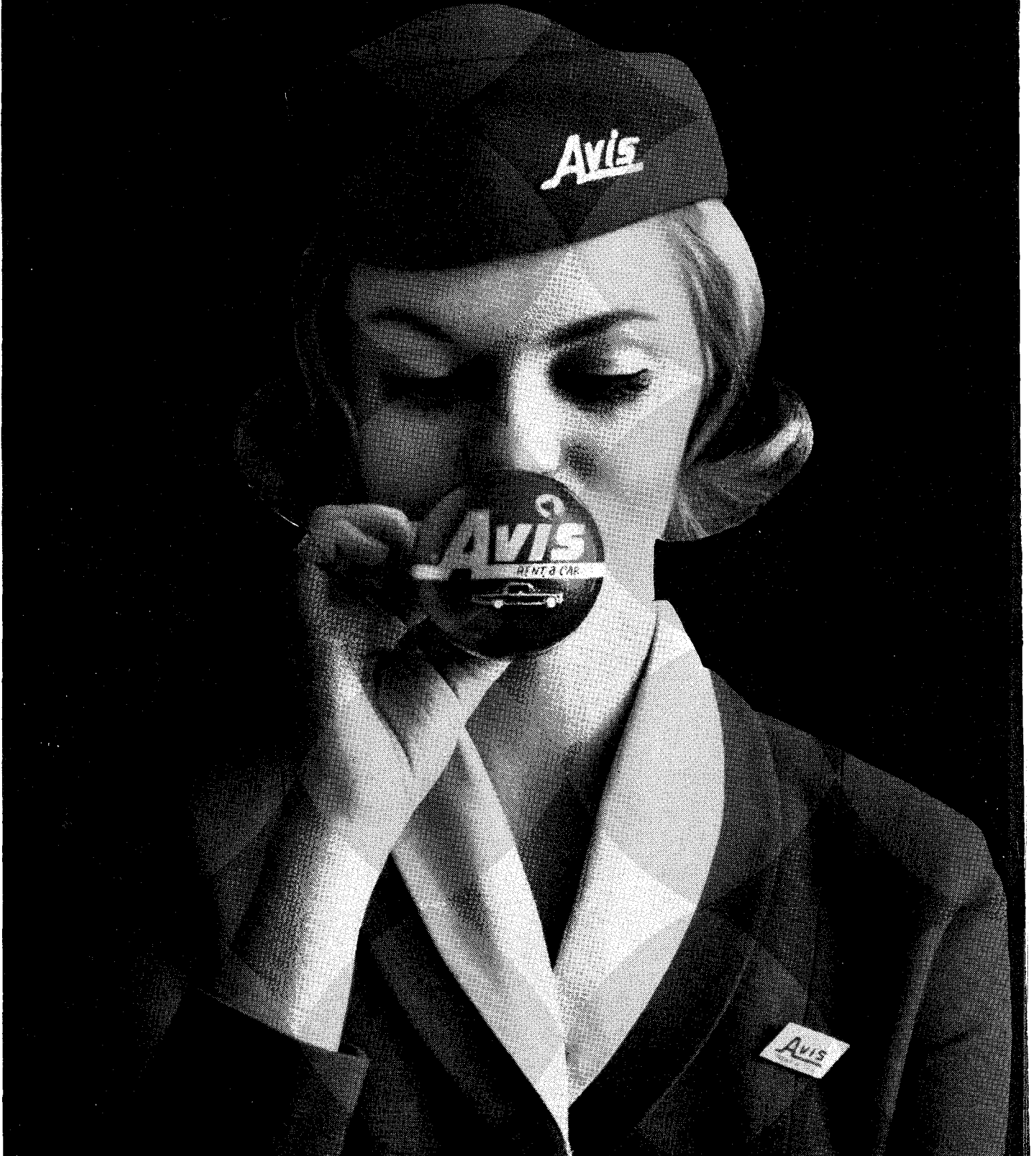
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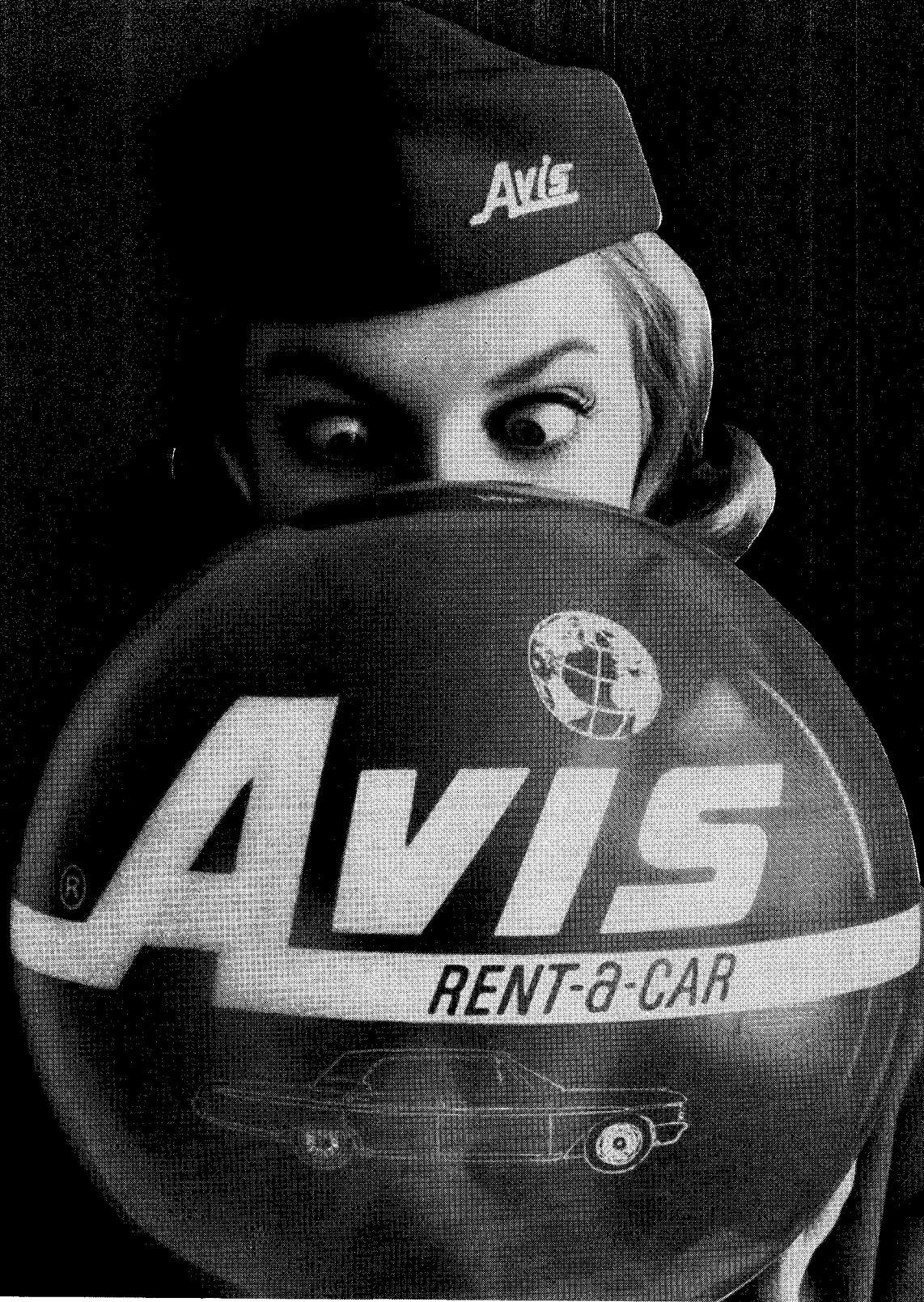


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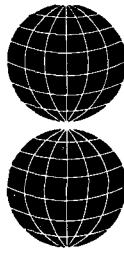
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Report on Moscow



its economic difficulties alone. The wreath addressed to Stalin, a "great Marxist-Leninist," which Chou En-lai placed in the Lenin mausoleum was an even more eloquent statement of China's position.

The removal of Stalin's remains from the mausoleum was, under the circumstances, inevitable. He could not logically and consistently be revered and reviled at the same time. In fact, there are suggestions that the Russian leaders have begun to doubt the wisdom even of preserving Lenin for public inspection. His presence in illuminated glory during this protracted debate with the Chinese on the inevitability of war directs too much attention to what the Chinese and their followers regard as a basic article of faith which cannot be discarded merely because of the development of new weapons of war.

The Chinese made no public protest against Stalin's removal; it was scarcely in their province to do so. But the pointed diplomatic moves and exchanges in the closing days of the Congress and events since have left little of the Sino-Russian unity that only twelve months before had been proclaimed to be as high as the Himalayas, as deep as the Pacific, and as strong as a wall of bronze. The Soviet press published a short formal message from Chou En-lai to Khrushchev in which he referred to the friendship of the Soviet and Chinese peoples but omitted any reference to the friendship and unity of the two parties.

Khrushchev, without naming Mao Tse-tung, ridiculed the Chinese leader as he has never been ridiculed before within the Communist community. Taking another of Mao's articles of faith, the theory that all imperialists are paper tigers, Khrushchev said that imperialists were, on the contrary, like real tigers, and predatory. In the jungle, however, the tiger did not dare to attack an elephant. The Soviet Union was such an elephant. Then, heaping insults on top of one another, he added that sometimes, in India, rajas used to like to go shooting tigers from the backs of elephants.

Russians, who are now quite willing to discuss the breach with China, are contemptuous both of the "war-mongering" Chinese and of the Chinese communes, which they regard as an attempt to

recreate a precapitalist form of society. Mao Tse-tung's fourth volume of selected works, which was published with fanfare in Peiping on October 1, 1960, as a definitive interpretation of Lenin's works and a justification of the theory of the inevitability of war, has neither been translated into Russian nor distributed in Moscow. Likewise, Khrushchev's twenty-year program has evoked no word of praise either from Mao Tse-tung or the Central Committee of the Chinese Communist Party.

The question of Berlin

In Moscow both Russians and Westerners agree that the compelling need each side feels for the other will prevent an absolute break in the alliance. It is taken for granted that if war comes, the allies will stand together. Whatever doubts and suspicions they have about each other are outweighed by their doubts and suspicions of the West. These doubts exist at all levels and center in Moscow on the German issue, which is, and seems likely to remain, Khrushchev's surest internal propaganda weapon. When he says the Germans are dangerous and pose a threat to the Soviet Union, he is believed absolutely.

The midsummer war alarms that swept through the Communist bloc and even caused the Poles and the Czechoslovaks to withdraw their bank savings have not been repeated, however. In fact, Prime Minister Nehru's visit after the conference of unaligned nations at Belgrade and Khrushchev's speeches at the 22nd Congress, though in some respects representing a toughening of the Soviet attitude, contributed to a lessening of tension.

Western embassies believe that Khrushchev is genuine when he says he does not want war. They are less happy about the quality of the Soviet intelligence agencies and the advice on which Khrushchev may base his tactics when it comes to negotiations over Berlin. Soviet factual intelligence is regarded as sound, but Soviet psychological intelligence is handicapped by the system. Reports of peace demonstrators in Trafalgar Square or shelter panic in Los Angeles are evaluated in terms of what such events would mean if they occurred in the Soviet Union, thereby leading to conclusions about Western stability and unity that are as dangerous as they are erroneous.

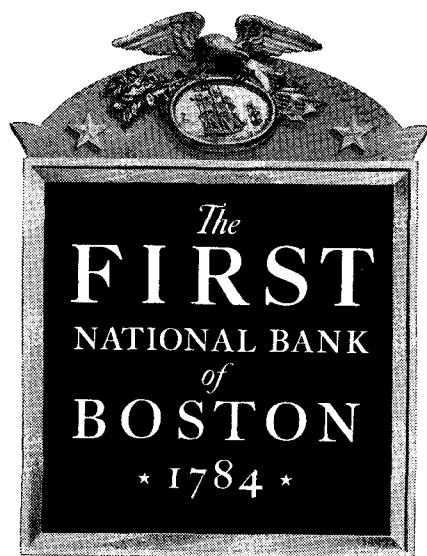
Since the area of possible negotiation over Berlin is small and the chances of reaching an agreement are estimated at less than fifty-fifty, the dangers of war by miscalculation are obviously great and will become much greater if Khrushchev does not know the Western state of mind. In this situation, the do-gooders who advocate reaching an agreement with the Russians at almost any price are as dangerous as those who advocate an up-and-at-'em policy.

WINDOW ON THE WORLD OF MONEY

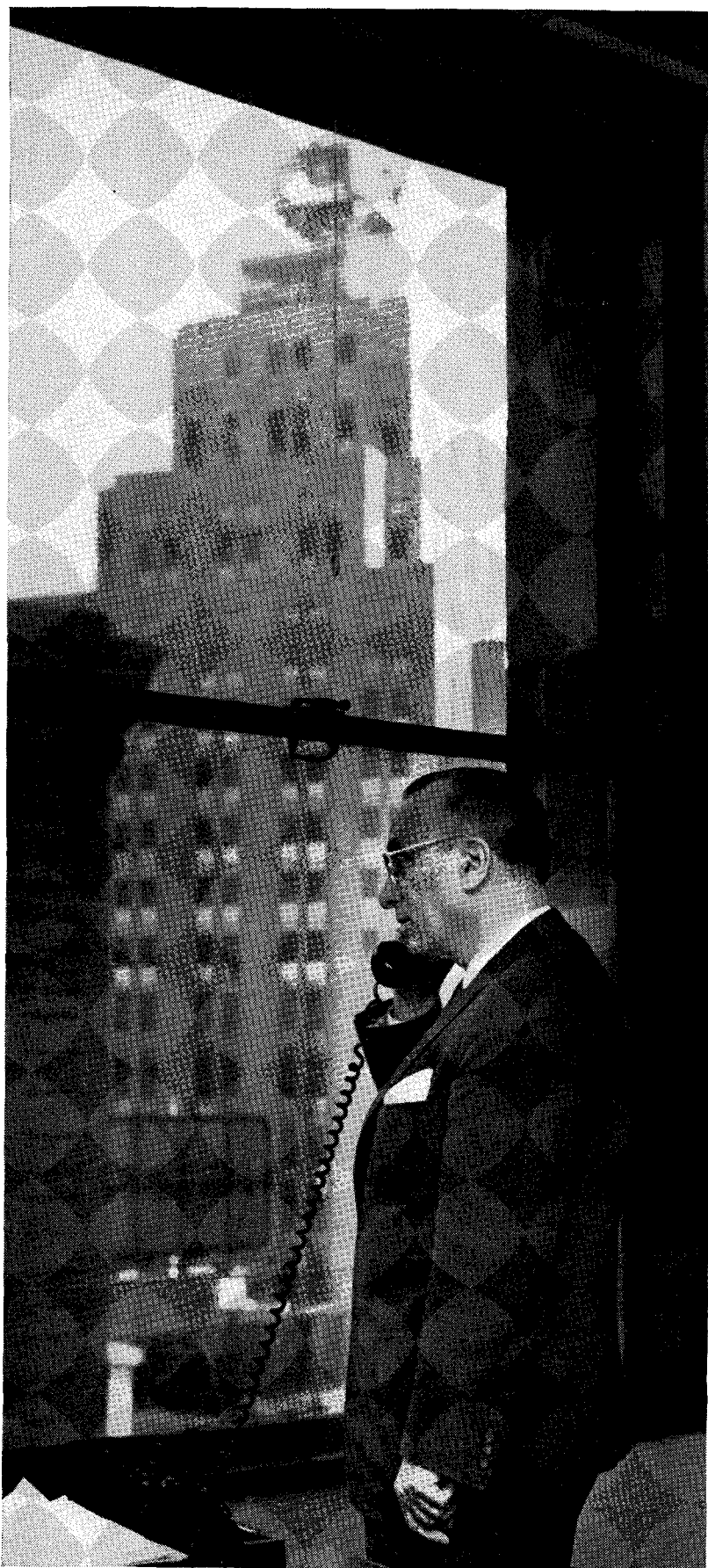
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Report on Moscow

Despite the confusion that now exists over the China dispute and the cult of the personality, Khrushchev's position, both in terms of power and personal following, appears unassailable while the danger of war continues. The 22nd Congress's decision to reduce the size of the Presidium resulted in the dropping of four members elected in 1957 presumably as a reward for their support for Khrushchev against the anti-Party group. At the same time, the Secretariat has been expanded from five to nine, and the new members are all Khrushchev men. F. R. Kozlov, whom Khrushchev has named as his likely successor, has become second in command to Khrushchev in the Secretariat. The main lines of Khrushchev's policy have won full support.

So far as the Russian people are concerned, especially the more sophisticated Muscovites, the very human tendency to wonder what Nikita was doing while Stalin was busy with his brutal activities appears to be overshadowed by Khrushchev's personality and the crisis of the times.

The challenge to Khrushchev

Khrushchev is a natural politician. He has all the qualities that would have assured him leadership in any labor movement, anywhere. But the challenge to his ideological leadership within the Soviet bloc is serious. Yugoslavia, on the one hand, and China and Albania, on the other, have elected to go their own different ideological ways. All the Far Eastern and Australasian Communist parties, Outer Mongolia's alone excepted, risked Khrushchev's displeasure by sending greetings to the Albanian Party during its anniversary celebrations last November.

The European Common Market represents a political, economic, and ideological challenge. It casts doubt on Khrushchev's concept of a peaceful transition to Communism. With the possible exception of Czechoslovakia, the European satellites have been poor advertisements for socialism. Once the Market is fully established as a going concern, the way to peaceful Communist expansion in Europe will be closed.

On the home front, the twenty-year program has failed to capture the imagination of the Russian people, and it has not enhanced Khrushchev's reputation as a Marxist-Leninist theoretician. The scientific developments under Khrushchev are an understandable cause of national pride; but his virgin-lands agricultural program, on which he set great store, has been a sorry failure.

Yet, the Khrushchev rule has been the best and the most benign the Soviet people have ever known. Materially — in Moscow, at least — improvements are noticeable all the time. Prefabricated concrete apartment houses six stories high go up at the rate of four a day. Assembled like castles made of cards and dropped into position by cranes, they are badly finished and ugly in appearance, and provide, even for the largest families, a maximum of three rooms. But it takes only two months to build and prepare them for occupancy, and though they seem certain to be the slums of the future, they are better by far than the log-cabin slums they replace.

There is also ample food in Moscow, at prices which are roughly comparable with those of western Europe. Clothing is in short supply and fearfully expensive; the best-quality heavyweight topcoat would cost the worker \$300, or three months' man-hours of work. But rent for an apartment, with heat supplied from a city main, costs only 4 or 5 percent of wages or salary. Given such differences as these, comparisons with Western standards of living are all but impossible. In general, however, the average is considerably lower than the western European low.

Moscow, as the crowds of out-of-town visitors lining up at the Red Square branch of the GUM, the large department store, testify, offers more and better of everything that it has had in the past. The city's population of roughly seven million includes about a million who, for reasons of skill or influence, are technically illegal residents. It is the mecca for all good Russians. "Maybe in some cities, like Stalingrad, you can get the things that are not readily available here, but who would want to live in Stalingrad?" said a Muscovite. "Call it Volgograd, and it would be worse."



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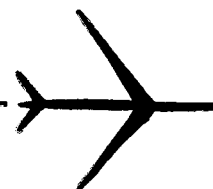
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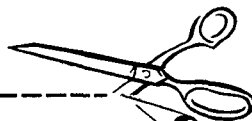
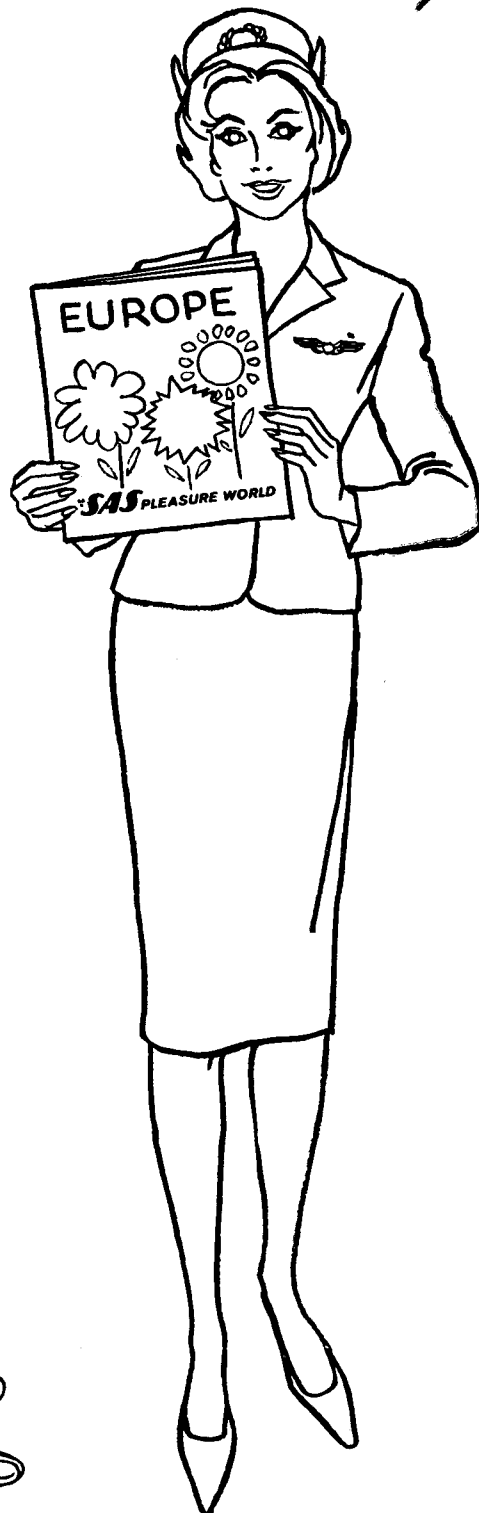
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ONE word sums up the material prospects of the United States for the decades immediately ahead — “more.” More people, more money in their pockets, more time to spend it, more things to spend it on, more research. The \$13 billion the United States spent on research and development in 1961 is double the 1955 figure; by 1970 we will be spending \$23 billion.

What will we get for these vast sums? Some things even the experts cannot predict; we can, nevertheless, see the shape of things to come. When they will come is something else again; time after time, industry men say a product is technically feasible but too costly to find a market. Either military or national need or the possibility of profit is usually required to put a laboratory phenomenon on the production line.

Much of our recent technology has resulted directly from two major research programs supported by the federal government. The military-weapons research launched in World War II and still going on has given enormous impetus to the development of electronics. The atomic bomb and subsequent AEC programs have led to many applications of nuclear physics to technology. Both of these continue, but they are overshadowed by the new program for space.

Television in space

This year, the government will spend about \$3 billion on space research. The materials, processes, and systems that this huge sum will buy will profoundly affect our technology. Stronger, heat-resistant materials for a rocket nose will be used in our automobiles. Miniaturization of satellite instruments will change our bedside radios. The performance reliability that brings an astronaut back alive will cut down repair bills on household appliances.

Doctors will adapt telemetering techniques from space probes to obtain reports from within a patient's body. New power sources used in satellites will be put to work in earth vehicles and generating plants. Even the study of the physio-

logical and psychological stresses of space flights will tell us much about human beings' reactions under more familiar strains.

Besides its indirect benefits, the space program will provide a direct technological benefit in the relatively near future — the communications satellite. A ball orbiting endlessly above the earth, the communications satellite can be a simple reflector off which radio signals are bounced, greatly extending their range around the world, like ECHO, or it can be a microwave relay station that receives the signal and rebroadcasts it — more complicated and expensive, but also much more useful. Bell Telephone will send a satellite of this nature into orbit this month or next. Called “Telstar,” it will transmit telephone conversations and television. Telstar is a low-altitude satellite, orbiting at six or seven thousand miles. In a complete system, there must be many satellites in order to have one always visible above the horizon at any ground transmittal point.

An alternate system would require only three satellites but would place them 22,300 miles out in space, each covering one third of the earth's surface. One problem is that the high altitude slows the signal and sets up a bothersome echo; another is the need of a ground-controlled propulsion system to bring the satellite back where it belongs when it wanders out of position.

A complete low-altitude communications satellite system, operated jointly by various companies in the communications industry, is a real possibility. One of its first duties will be transatlantic transmission of television signals, but it will make possible rapid telephone communications between any two points on the globe. RCA has suggested that UN sessions might be broadcast to the whole world on the first satellite television channel.

One important application of high-speed, cheap communications by satellite is likely to be the linking of worldwide computer systems. These would be used to provide scholars with automatic research reports from libraries across the oceans

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Science and Industry

and bring together and analyze all kinds of reports on business and governmental activities.

Electronic brains

Despite its remarkable growth, the electronic computer is still in its infancy. Faster and more compact circuits are constantly being developed and novel applications found. Process control will be taken over by computers in plant after plant. Not only will future operations of an entire automatic factory be computer controlled, but inventories, pricing, daily sales reports, deliveries, and other details will be analyzed and integrated by data-processing systems.

One expert cites as an example already under investigation a system in which an insurance company keeps records of every policy in a random-access memory. This would be connected to desk units in every agent's office over the country. The central computer would supply on demand a complete up-to-the-minute report on each customer's account.

Decision-making, at least on a simple level, is the most important development in sight for computers. Present-day data-processing systems must be fed an elaborate program of information that in effect tells them what to do in all circumstances. A decision-making computer would go through a process similar to rudimentary thinking, in which it could learn from experience how to make the right decision. With such machines to command, it can be expected that eventually every big company will have a vice president in charge of data processing — second only to the chief executive officer in importance.

Memory machines

Computer memory units will be a vital part of electronic systems used to index and store the ever-growing load of presumably useful information our economy produces. Records of an entire company will be kept in a desk-sized cabinet, with every item available at the touch of a button. In our libraries, electronic machines will, upon electronic request, read every volume, pick out key words,

index them in a quick-access memory, and project the desired references on a screen.

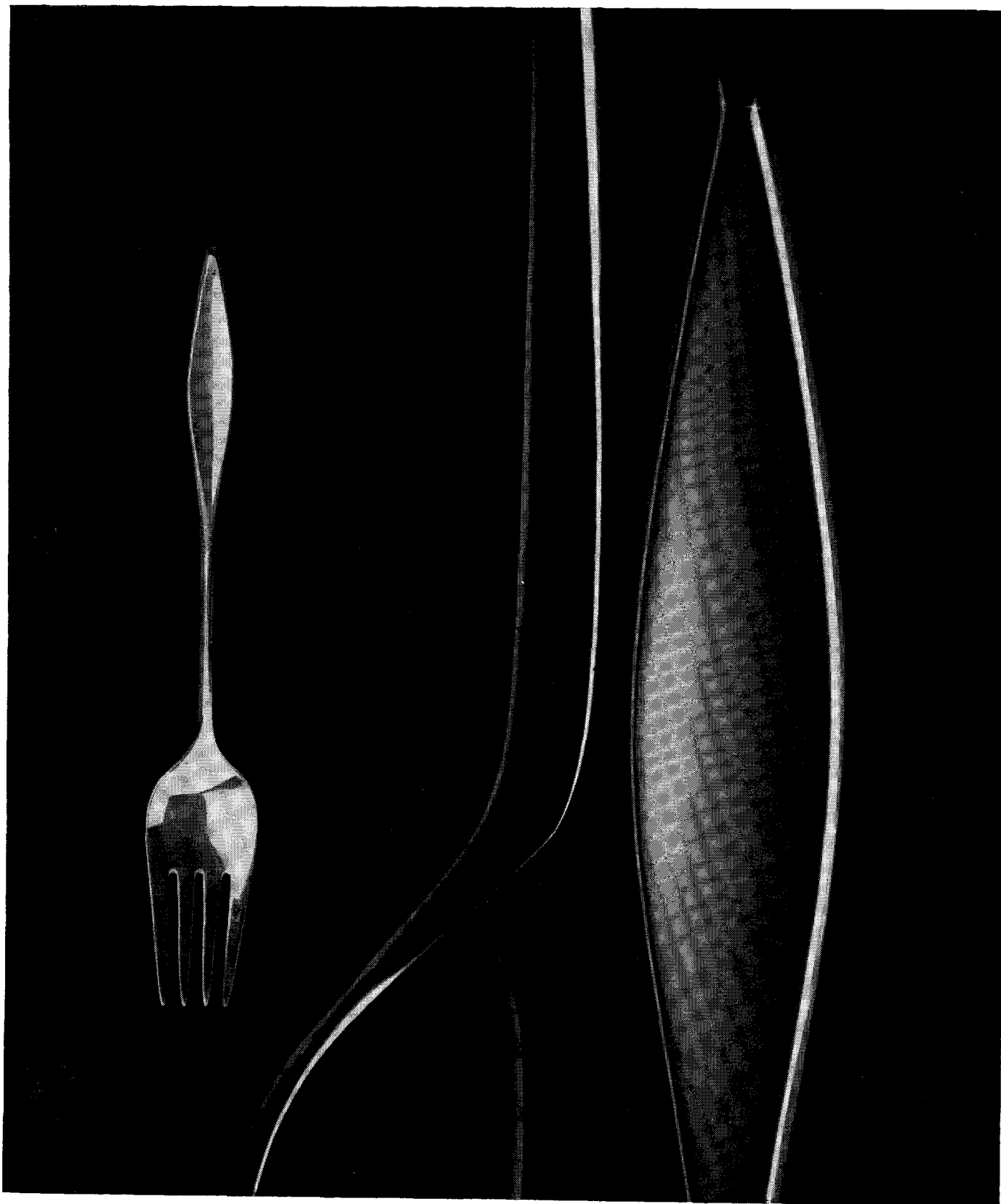
Computers are already reading material printed in magnetic ink; before very long they will be able to read ordinary printed matter, and even handwriting. Sensing devices that recognize optical patterns will be followed by others that respond to sound patterns. With one of these tied to an automatic typewriter, an executive could dictate directly to the typewriter. First, however, speech scientists will have to figure out what it is that makes an Edinburgh professor sound different from a Biloxi businessman, even when they both speak the same words. Voice-sensing devices tied to telephones could give a caller the convenience his grandfather had when he simply gave Central the number he wanted.

A challenging aspect of the information field is translation, particularly translation of scientific reports from all over the world. Specialized computers can now be programmed to scan simple texts, translate them into a desired language, and print out the result; but ambiguity, idiom, and structural differences remain problems. Such machines will certainly be developed for the limited vocabularies of scientific disciplines; whether they will ever succeed in handling the nuances of a creative work of fiction or poetry is debatable.

One important task for computers linked in a worldwide system will be long-range weather forecasting, perhaps up to three months ahead. The principle, called numerical weather forecasting, is already being used for predictions a few days in advance; increasing the lead time will require daily collection of weather data from thousands of stations all over the world and their analysis by high-speed computers. Conventional communications circuits could not carry the message load, but the communications satellites will provide the necessary radio channels.

Preventing illness

In a few years we may find whole new families of drugs and serums preventing and controlling infections. A major goal of scientists is a non-specific vaccination that will raise



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We can't help wondering what sort of response such an ad would get today. Are there still thousands of men of adventurous spirit who ask only a memorable experience and a chance for glory? Or are we all interested only in prudently pursuing safety and comfort?

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Science and Industry

the body's general level of resistance by developing a broad group of antibodies. Another is the super-vaccine, such as that suggested by Dr. Jonas Salk. Dr. Salk believes that it is the protein coating of a virus that penetrates a cell, that this coating, or shell, is not harmful in itself, but that it opens the way for the infectious nucleus of the virus to attack the cell. He proposes to separate the protein shells of many kinds of viruses and make a super-vaccine out of them that will produce antibodies against a wide range of diseases.

An exciting possibility has been raised by a British doctor who has discovered a substance in human cells that prevents virus penetration. Named Interferon, the substance has already been isolated in pure form but has not yet been synthesized in the laboratory. If chemists succeed in reproducing this remarkable substance, it might have a major impact on medicine.

If some cancers are a form of virus infection, as is generally believed, it is conceivable that it may become possible to immunize the body against cancer or to overcome a cancer already established, by means of anti-virus preparations.

The same body of research that has produced tranquilizers and psychic energizers may lead to a drug that will improve learning capacity and enable everyone to operate at top mental capacity.

Drugs are, of course, only one branch of the fast-moving chemical industry. Stronger plastics, synthetic rubbers, a host of insecticides, weed killers, soil nutrients, new fabrics—all will reflect the increasing ability of the chemist to manipulate molecules to obtain the exact characteristics needed for a specific application.

The new automobile

If the gas turbine arrives in the next decade, it will be the first really new automotive power plant since the piston engine replaced the Stanley Steamer and the electric runabout. Gas turbines for aircraft have been around, but high cost,

expensive materials, and high fuel consumption at low speeds have kept turbines out of automobiles.

Chrysler claims to have licked these problems and produced a gas turbine comparable to the piston engine in cost and fuel consumption, far simpler in construction, and able to burn a variety of cheap fuels. Chrysler is not flatly committed to a mass-produced gas-turbine car, but the new engine will probably be in some production models by 1970. Beyond the sixties, electric cars may reappear in a new shape. The power plant would be a fuel cell or thermionic converter which would generate electricity to drive an electric motor at each wheel.

Research in methods of control forms a big part of automobile development. RCA has designed an automatic road, and General Motors has built an automatically controlled car to run on it. An electrified strip down the center of the road steers the car, while sensing devices on brakes and accelerator keep it clear of cars ahead or behind. A modified system that could be applied to existing cars uses sensing coils embedded in the highway to alert drivers with flashing roadside signals when they close too quickly on the car ahead. RCA estimates that the installation of such a system would cost \$10,000 a mile. Some experts, including Ford engineers, are skeptical of automatic controls; they think in terms of a radar device that would bounce electronic signals off obstacles and flash a signal to warn the driver.

The home front

In home building, prefabricated components—roof trusses, wall panels, plumbing assemblies—will be used increasingly. The chemical companies hope that the future will see a precast plastic house. Irradiation may produce plastics strong enough to be bearing members.

The house will have air-cleaning devices and lint-free fabrics. Door-mats will automatically clean shoes as one enters the house. Interiors will be lighted by softly glowing electroluminescent walls. A Westinghouse executive foresees "health rooms" with walls that emit ultraviolet rays for year-round suntanning, and a health monitor center to



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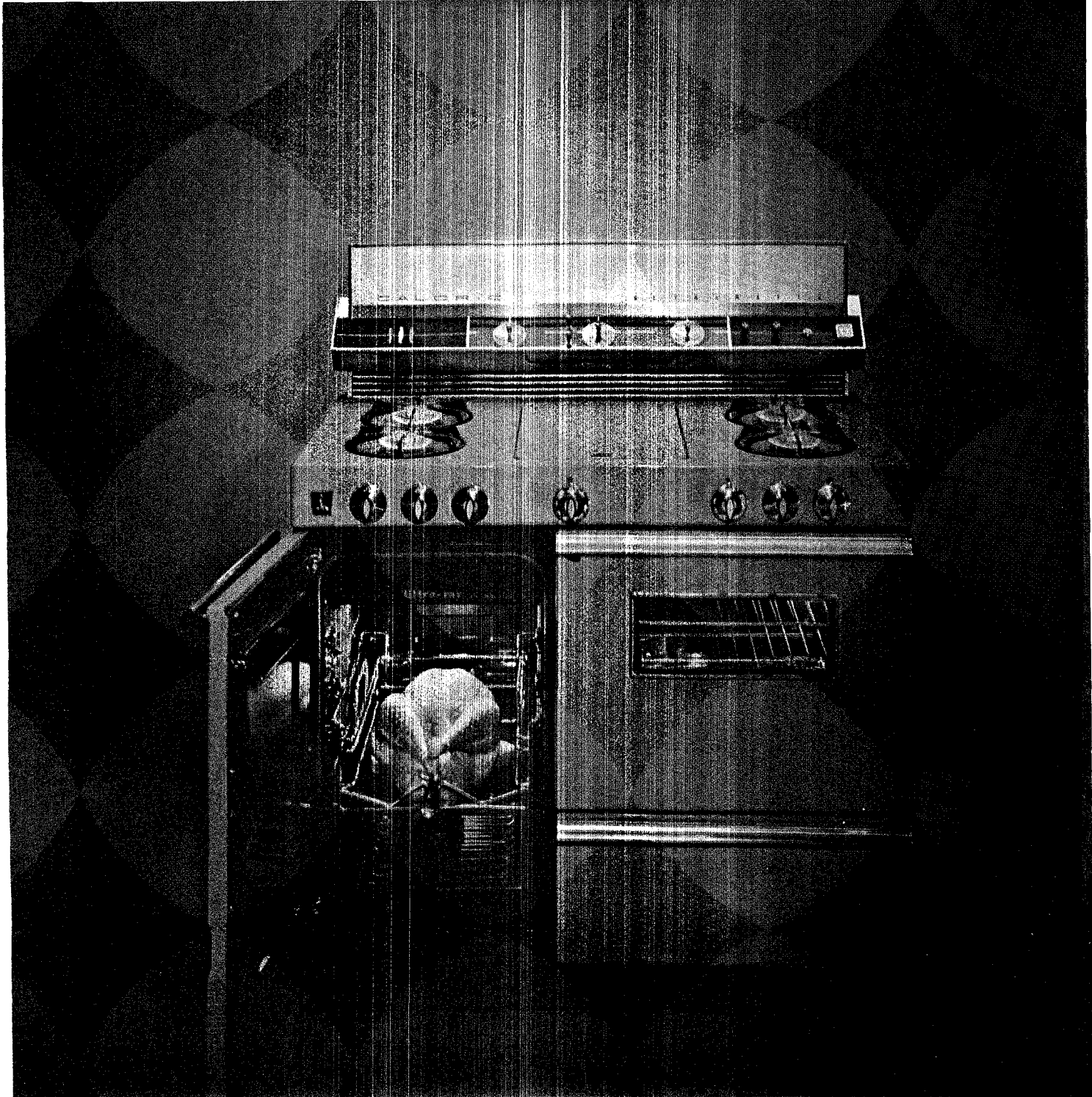
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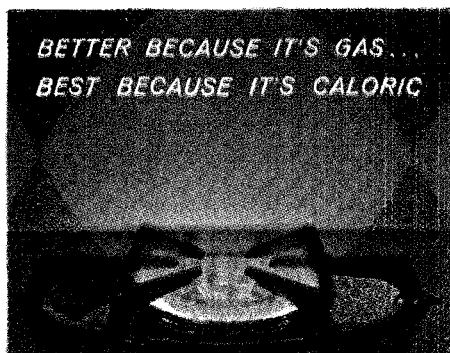
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record and store information on weight, temperature, blood pressure, and other family vital statistics. He also suggests that the grass outside the house will stop growing at two or three inches. A lawn-mower manufacturer, however, predicts that the grass will keep growing but will trigger an automatic lawn mower when it reaches a designated height.

Very thin cabinets with very small components will house the television set, and programs will be recorded on magnetic tape for later playback. Recorded television programs will be sold like phonograph records. Home movies taken on magnetic tape will be projected on the television screen. These improvements should be available by 1970, and three-dimensional color television by 2000. RCA envisions a pocket color-television set.

As for high fidelity, the perfectionist who disposed of his post-war equipment in favor of stereo will find himself making another switch, this time to "ambio," according to Standard Research Institute. Ambiphonic equipment uses stereo principles but makes an additional recording that is played back from loudspeakers placed behind the listeners.

More noticeable changes in domestic life might result from combinations of the telephone with television. Shopping, visiting museums and libraries, calling on friends and relatives, enrollment in extension courses—all these and more could be accomplished through the telephone's picture screen while the housewife sits at home waiting for the baby to wake up or the repairman to come.

The picture phone is technically feasible, but since picture transmission requires a channel a thousand times as wide as a sound circuit, the cost of circuitry will probably limit picture telephones to business use for some time. Documents could be consulted or designs displayed in a telephoned business conference. The telephone company even suggests that the picture phone could do away with concentration of personnel in central offices. According

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to Bell Telephone, a sales manager or planning engineer might step from the breakfast table into his office at home and keep in as close visual and auditory touch with his colleagues as if they were all in the same office.

Picture phones could play an important part in retail sales. It is easy to imagine the local haberdasher displaying his shirts and socks in the shop to a customer at the other end of the wire.

Westinghouse has demonstrated a model of a relay box that hooks up to the telephone to turn appliances on and off. The housewife could start the potatoes baking by telephoning her stove from downtown; the winter vacationer could telephone the heat on at home as he enplanes for New York from the Bahamas. But, as with so many devices, cost inhibits production.

RCA and Westinghouse foresee thermoelectric materials incorporated into wall and ceiling panels that will radiate hot or cool air at the flick of a switch — but not till about 2000. American Cyanamid predicts carpets, woven of combined synthetic fibers and ultra-fine steel wires, that will be connected both to solar energy storage cells outdoors and to the house current, to "operate like an electric blanket."

A home economist, Dr. Hazel K. Stiebeling of the government's Agricultural Research Service, writing in the Stanford Research Institute journal, suggests that by 1980 automatic warehousing concepts might be applied on a small scale to home food storage, with many foods reduced in volume and storable at room temperature as a result of freeze-drying or irradiation. Micro-encapsulation, encasing tiny food droplets in gelatin, would also permit storage without cans or jars.

Obviously, there will be no lack of things for industries or individuals to spend their money on. But before we fling ourselves wholeheartedly into the world of more and more, there is a nagging little question that keeps intruding: even in technology, is more necessarily the same as better?

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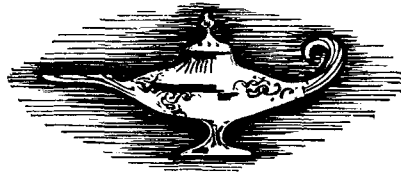
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It is now almost six and a half years since President Eisenhower, in a moving extemporaneous speech in Washington, said, "Since the advent of nuclear weapons, it seems clear that there is no longer any alternative to peace, if there is to be a happy and well world." In the following year, as Nikita Khrushchev consolidated his power in the Kremlin, Soviet policy, too, came to rest on the same premise. Now Russia and China are engaged in a struggle revolving principally around that policy; the Chinese Reds charge Khrushchev with quaking before American nuclear weapons. In Moscow, the Communist Party organ recently declared that a nuclear war would kill "many hundreds of millions" while "the greatest production centers in the world would be destroyed and entire states would be completely wiped off the map."

However minimal may be one's trust of the Soviet Union, it is evident that the Soviets and Americans share this single aim of keeping their struggle short of nuclear war. Only on this point of mutual self-interest can there be any hope of controlling what President Kennedy has called "a deadly business, this competition" in the arms race. Any progress in disarmament depends on Washington and Moscow; without agreement between the two great nuclear powers, the other nations can do nothing; with agreement between the two, the rest almost surely must go along.

Stalin publicly ridiculed the atomic bomb and secretly set his scientists to work to match the American achievement. Malenkov, who first succeeded him, was reprimanded by his colleagues and finally driven from power, in part for suggesting that nuclear weapons had no ideological preference and could destroy both social systems. Only when Khrushchev first gained control in the Kremlin did the Soviet Union, on May 10, 1955, put forward a serious proposal to harness the arms race. Yet this approach to the West was among the root causes of the later attempt by his Presidium colleagues to gang up on Khrushchev following the revolts in Poland and Hungary. It was Khrushchev, however, who survived to trumpet the doctrine of peaceful coexistence, to defend it

against those who shared Molotov's suspicions of any dealings with the West.

That both President Eisenhower and President Kennedy have realized and supported the necessity for some arms-control agreement with Khrushchev is beyond doubt. That in both Administrations there have been powerful voices urging the most extreme caution, often put that way only to mask outright opposition to presidential policy, is also beyond doubt; Harold Stassen, Eisenhower's disarmament chief, was destroyed, partly by such opposition.

The new U.S. Arms Control and Disarmament Agency, headed by Republican William C. Foster, is the most serious American effort to sort out the problems and find new approaches. Both the United States and the Soviet Union are driven by the fear that if they do nothing, the world may stumble, by accident or design, into a nuclear holocaust neither side wants. And this fear keeps them at the conference table.

Secrecy, the Kremlin's weapon

The chief bar to East-West agreement is mutual suspicion. The three-year nuclear-test-ban negotiations came a cropper on the American demand for inspection and control inside the Soviet Union, which the Russians contend are nothing more than espionage. McCloy and Zorin, negotiating at the United Nations last fall on the principles of disarmament, failed to agree on the same crucial point: the Soviets were willing to allow inspection of armaments being destroyed under any agreement but not inspection of the remaining armaments to see if they were within the limits set.

Secrecy is, next to nuclear power itself, the most important Soviet weapon; it inspires recurring American fears of a nuclear Pearl Harbor. In various phases of both the test-ban and the general-disarmament talks since 1955, the Soviets have offered to lift the curtain only a minimal amount, with even that protected by some form or other of a Soviet veto on the activities of foreign inspectors who might be permitted inside their country.

OVEREATING HAS BECOME A MAJOR HEALTH MENACE

Americans Are Stuffing Themselves Past The Danger Point

Although it may be true that few people have *literally* eaten themselves to death, most American health authorities today are quick to agree a good many of us are eating our way to illness and, in many cases, earlier than necessary death. Obesity may not be listed as the "cause of death," but there is no doubt that overweight has become one of the most pressing American health problems.

It is certainly one of the paradoxes of our age that many millions of Americans of all ages are suffering malnutrition from excessive intake of food while in other areas of the world many more millions of people suffer from starvation. The overweight American may be a symbol of our opulence, but he, or she, is also the unhappy evidence that we are not doing a very good job of learning how to build and to maintain a physically fit populace.

Each year, through taxes or donations, we provide hundreds of millions of dollars to treat and to find preventatives for various types of diseases, especially those which afflict our children. Yet none of these diseases for which we have special foundations and fund raising campaigns will ever cause as much suffering, both physical and mental, as obesity. We too often leave this disease of overeating to the wide open field of faddism and quackery rather than to approach it on a logical basis as one of our most serious health problems.

We Overstress The "Fun" Part of Eating

We Americans put so much emphasis on the "fun" of eating that for many of us the pursuit of happiness seems to be endless stuffing of our stomachs. Most of us establish our basic eating patterns in early childhood, and it is apparent that we are not doing a very good job of teaching our young how to eat for good health. The basic purpose of eating is not to provide an excuse for social intercourse. It is, rather, to provide the essential nutrients which our bodies need for growth and maintenance. It should be as easy to learn healthful eating habits as poor ones.

If we allow infants to overstuff themselves with food and if we permit our children to become obese without making serious efforts to correct their eating habits, we are laying the foundation for obese and unhappy adults. There is no evidence to support the idea that a fat baby or a fat child is more healthy — or happy — than a thin one. On the contrary, the lean child is much more likely to become a lean and healthy adult.

The obese adult must spend many difficult hours trying to unlearn the poor eating habits which have contributed to his or her undesirable excess weight. Many studies indicate that only a small percentage of the obese are ever able to correct this health problem on a permanent basis.

We will be a much healthier, and far more physically fit, nation if we insist upon developing sound programs to teach our children good health habits — including sensible eating patterns, proper respect for physical exercise and rest.

Nutrition scientists have learned much about the kinds and quantities of foods we need for good health. All of us, young and old alike, need daily servings of foods from the four major food groups — milk and milk products; meat, poultry, and fish; vegetables and fruits; and grain and cereals. Selecting from each of these food groups, in the quantities recommended for various age and activity levels, provides the variety of essential food nutrients which we need to keep our bodies properly nourished. This food pattern also provides enough variety to avoid monotony in meals.

Weight Reduction Diets Need Careful Planning

The overweight person who seriously desires to shed excess pounds will find that fad diets designed to take off weight fast and furiously seldom accomplish the goal of keeping the person at the desired weight over the long pull. On the other hand, developing sensible new eating habits — with foods selected from the four major food groups — and regulating calorie intake to effect weight loss offers a weight reduction plan which the obese person can learn to enjoy and stay with to keep this excess weight problem from recurring.

Obesity is a national health problem which deserves far more organized attention on the part of all of us. In addition to developing much sounder approaches to weight reduction for those who are suffering from this disease, we should look to the prevention of obesity by making certain our children are learning sensible eating and exercise habits.

Health education in schools should certainly be a part of our program, but we should also keep in mind that many of the child's habits, including many of his eating and exercise habits, are developed in the home before he enters school. Health education is not something that can be postponed until the child enters school. It is a parental responsibility that begins the moment the parents assume the task of feeding and training the infant.

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Report on Washington

The U-2 reconnaissance plane, a superbly conceived and engineered venture whatever its ultimate political and diplomatic ramifications, was an effort to crack Soviet secrecy. Today the reconnaissance satellite, cloaked in the deepest American official secrecy, is another effort at the same thing. Its effectiveness is likely to be known to only a handful of Washington officials. The Russians, of course, are well aware of it, and their examination of the photography from the downed U-2 can leave them only the assumption that in time the satellite will be producing the same result.

This is only one example of how science runs ahead of diplomacy. The same element confronted the President in wrestling with the problem of whether to order a resumption of nuclear tests in the atmosphere. American military policy has long been based on the theory, or at least the hope, of what is termed the stable deterrent: the fact that each side had the capability of destroying the other and that this deterred either from attacking the other in all-out nuclear war. Yet last year's round of Soviet nuclear tests raised the serious possibility that the Russians may have found a counter to incoming American missiles. Therefore, the Administration argument went, the United States must test to find a counter-counter. In a world of electronic mazes where man is supplanted by computers, it is hard to see an end to the concoctions of science.

Sword of Damocles

If this offers only the most somber prospects, one must come back again to the principal fact of the mutual Soviet and American self-interest in preventing nuclear war. Each nation is driven by a desire to keep control, for only these two have sufficient power to make nuclear war. We know Britain has a respectable nuclear arsenal, and General de Gaulle has said that France will have its first nuclear operational unit before the end of 1963. On the other side, Khrushchev may have denied nuclear weapons to his Chinese ally, but he, like the Americans, knows that it is only a matter of time until Peiping, too, enters the nuclear club.

On the American side, President Kennedy's alarm over the possibility of another round of secretly prepared and suddenly sprung Soviet tests has led him to add a demand that any inspection system must also offer protection against secret preparations. Soviet scientists, it is evident enough, were kept at their blackboards and in their laboratories preparing the last round of tests even as Soviet diplomats appeared to be negotiating at Geneva on a test ban.

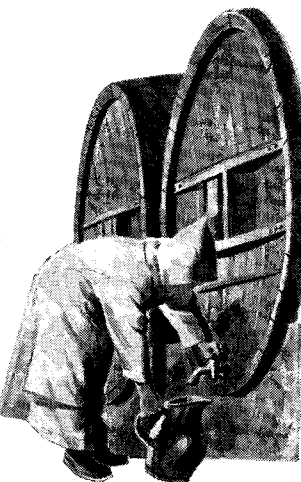
The President has accepted the widely held view that American scientists cannot be kept on the job in a similar way, since our government lacks the powers of compulsion and direction available to Moscow. But it also is evident that during the long test moratorium, the United States did not really try to keep its scientists working on new developments to be tested when and if the moratorium ended. Indeed, some of those who have struggled with the test issue over the years believe that the only possible security for the United States, even were there a formal test-ban treaty, would be to keep the scientists at work just in case.

But there is another line of reasoning which must be taken into account. When our scientists are uncertain that they ever will be able to test a new weapon or concept, they tend to be more conservative in developing a device. This is because they fear that a new or radically different device might blow up accidentally and create both domestic disaster and an international incident. Their fear, so the argument goes, inhibits the scientists' thinking and daring; safety becomes a major factor.

Hans Bethe, the Cornell physicist who headed the presidential panel studying the Soviet tests, has abandoned his long espousal of a test ban. He now feels that there no longer is validity in the two reasons for which he had advocated a treaty: to stabilize the U.S. technical advantage of 1958, when the Geneva talks began, and to obtain an inspection system which could be a precedent and example for inspection in general disarmament.

Bethe now advocates control over and disarmament of strategic delivery vehicles — that is, of large

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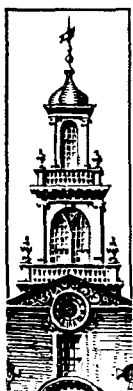
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Report on Washington

manned bombers and long-range missiles. This has been De Gaulle's view, but while they are, indeed, the greatest threat, they also present enormous problems in any arms-control scheme, problems which come back to the Soviet determination to protect their advantage of secrecy.

Thus, the United States and its allies remain faced with the seeming paradox to which the President has alluded: to continue improvement and development of armaments, while at the same time searching intently for ways to control the arms race to which such improvement and development contribute. There is, as President Eisenhower put it in 1954, "no longer any alternative to peace," but there also is, as President Kennedy put it, little security in a continuing nuclear arms race.

Red China's famine

According to the best figures available in Washington, Communist China in 1961 produced about the same amount of grain as it did four years earlier, but there were at least 60 million more mouths to feed. Three bad crop years, a compound of natural disasters (the official explanation) and mismanagement, including the commune system (to which American officials give nearly equal weight), produced this disaster. To cope with it, the Chinese have been buying grain and sugar from free-world sources, excluding the United States, at a total cost estimated for 1961 at half a billion dollars in precious foreign exchange.

Another bad year in 1962 would further slow industrialization; even a good year would not recoup the staggering losses. China's xenophobia now can only become more intense, its anti-Americanism more virulent, if, indeed, that is possible. Certainly, then, there is no current visible atmosphere which would induce the United States government to use some of its grain surplus to feed the Chinese.

Yet it is not beyond the realm of possibility, as hinted at indirectly by some Chinese sources, that Peiping would swallow its pride and offer to



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Report on Washington

buy from the American stockpile, assuming it can find foreign exchange beyond what already is committed for purchases this year and next from Canada, Australia, and elsewhere in the free world.

The President so far has skirted the issue of public policy involved by noting that, at least until quite recently, Peiping was exporting some foodstuffs despite its own dire situation. State Department planners have been wrestling with the problem of public policy, but are reported to have come to no firm conclusions. The temper of the Congress and the country remains strongly anti-Peiping, yet there are the surpluses, costing our taxpayers a billion dollars a year just to store them, and there is, too, the quiet voice of conscience.

Should we feed China?

In a recent study, the Friends Committee on National Legislation has attempted to evaluate the pros and cons of the question. The study advocates lifting the embargo on the sale of food and offering to provide famine relief under the surplus disposal law, which permits grants of food to friendly people regardless of whether their government is friendly or not. It is suggested that such food be channeled through the UN Food and Agriculture Organization's freedom-from-hunger campaign.

The study argues that to take this step would conform to American humanitarianism, help create "a new and more generous pattern of international conduct and behavior," and "might help counteract the virulent anti-American propaganda in China." The first reason is true enough, but the other two are certainly open to serious doubt.

One high Administration official has suggested that the choice facing the United States is this: either let the Chinese sink further into famine, and thus risk the possibility of a desperate Communist move into the rich and underpopulated food areas of Southeast Asia, with a likely direct confrontation with U.S. military forces; or feed China, contain it, but help make Communism succeed on the mainland. Others reject these

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(Atheneum is simultaneously publishing "A Long and Happy Life" in hard covers \$3.95.)

In addition to Mr. Price's novel, the April issue includes a variety of articles, columns, and illustrations for people who want to stay well-informed.

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Report on Washington

as the choices. They say that China will not dare move into Southeast Asia, where the Chinese were suspect long before Communism was ever heard of. They believe that Mao would do as Stalin did in the years of Russian famine — let millions die while feeding the Communist cadres and the key industrial workers.

Goldberg's impact on labor

Arthur J. Goldberg, who will not be fifty-four until August, delights in reiterating that he is the second oldest member of the Kennedy Cabinet. His age, however, has little relation to his energy or to the record of accomplishment or degree of respect he has achieved so far as Secretary of Labor. For a man who long served as a partisan labor attorney for the steel union, Goldberg has achieved an amazing degree of labor-management impartiality. This is not to say that he does not believe his department's job is to look after the workingman.

Perhaps the key test of Goldberg's ability this year will be whether he can help to bring off a new steel contract considerably in advance of the June 30 strike deadline. Steel is the major contract expiring this year; the outcome in Washington will play a major part in determining whether inflation can continue to be kept under control. At the President's direction, Goldberg has been telling the union it must keep its objectives within the range provided by increased productivity in the industry, because management, under Kennedy pressure, last year refrained from a price increase.

Mood of the Capital

Politics is very much in the Washington air now that primary time is at hand. The Democrats are at least talking of reversing the usual trend of off-year House losses for the majority party and thus emulating the Roosevelt gains of 1934.

The Republicans, on the other hand, not only are relying on the historic facts but are talking confidently of a conservative trend in the country, despite the continued high showing for the President personally in the opinion polls.



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ATLANTIC-LITTLE, BROWN

The Atlantic Report NORWAY



IN HIS 1961 New Year's message, King Olav said Norway must make preparations to meet any military emergency. "We should remember," His Majesty said, "that we human beings are hardly born to total security, and that as long as people have lived on earth it has been necessary to plow with the sword by one's side."

The King was making oblique reference to the Action for Atomic Disarmament, a snowballing combination of thirteen left-wing and labor organizations led by architect John Engh and cheered on by the liberal newspaper *Morgenbladet*. By a stroke of irony, *Morgenbladet's* editor, Helge Seip, also Oslo's Liberal Party representative to the Storting, was to lose his seat in the forthcoming September elections because of the atomic disarmament campaign.

The new Socialist People's Party, a direct outgrowth of the A.F.A.D. campaign, was destined to attract voters who otherwise would surely have re-elected both Seip and Emil Lovlien, chairman of the Norwegian Communist Party and the sole remaining Communist in the Storting. Both lost their elections, and both bitterly complained, with some justification, about the election system.

Lovlien pointed out that, whereas the Center Party had one representative in the Storting for every 11,000 votes, the Communist Party, which polled 53,400 votes, was left without a representative. The point was made in the Oslo press that under a "mathematically correct election system" the Labor Party would have won seventy seats; the nonsocialist parties, seventy-two; the Socialist People's Party, three and one half; and the Communists, four or five. The Communist Party had been losing ground since 1945, when eleven Communists were elected to the Storting, and the victory of the Socialist People's Party capped a long series of Communist disappointments.

What appeared more significant at the time of the elections, however, was the Labor Party's loss of the majority it had held since 1945. Prime Minister Gerhardsen had made a pre-election promise

to resign if the Labor Party did not retain its majority in the Storting, and many of his opponents were for keeping him to the promise. But in October it was decided that the Gerhardsen government should try to hold together a coalition.

Jitters over the Common Market

The decline in the Labor Party's power comes at a time when unity is needed in policy decisions, particularly on NATO, and in Norway's pending debate concerning the European Economic Community — whether to join or stay out of the Common Market. In a radio interview late in September, Prime Minister Gerhardsen came out positively for Norwegian membership in the European Economic Community, provided that Great Britain becomes a member.

A month later, Eric Brofoss, director of the Bank of Norway, said that Norway must join the Common Market. There is a good bit of solid opposition to Brofoss' attitude. The prospect of entry into the Common Market has the Norwegian trade associations and home market industries very worried. They know there is small hope that the lowering of trade barriers can be gradual and gentle enough to prevent traditionally protected industries from suffering heavily.

In 1954 a Scandinavian Customs Union had been proposed. The plan, submitted in 1957, set forth a Scandinavian common market and a Scandinavian investment bank, among other things. The beauty of the plan, for Norway at least, lay in the careful arrangements for easing off customs and import regulations, in some cases over five- and ten-year periods, for those home industries which stood to be hit hardest.

In Finland, Denmark, and Sweden, the plan met general approval, but in Norway it collided head on with the trade and industrial organizations, which killed it. If Great Britain enters the Common Market, as is expected, Norway will have to follow, home industries and trade associations aside, or suffer drastic consequences. In West Germany, for example, where there used to be no

duty on fresh herring, the European Economic Community has already decided on a common tariff duty of 20 percent.

Boom in exports

The country's index of wholesale prices and cost of living remained virtually stable, experiencing only a slight rise in 1961. Even though a tightening in credit policy was carried out last July, the economy continued to boom.

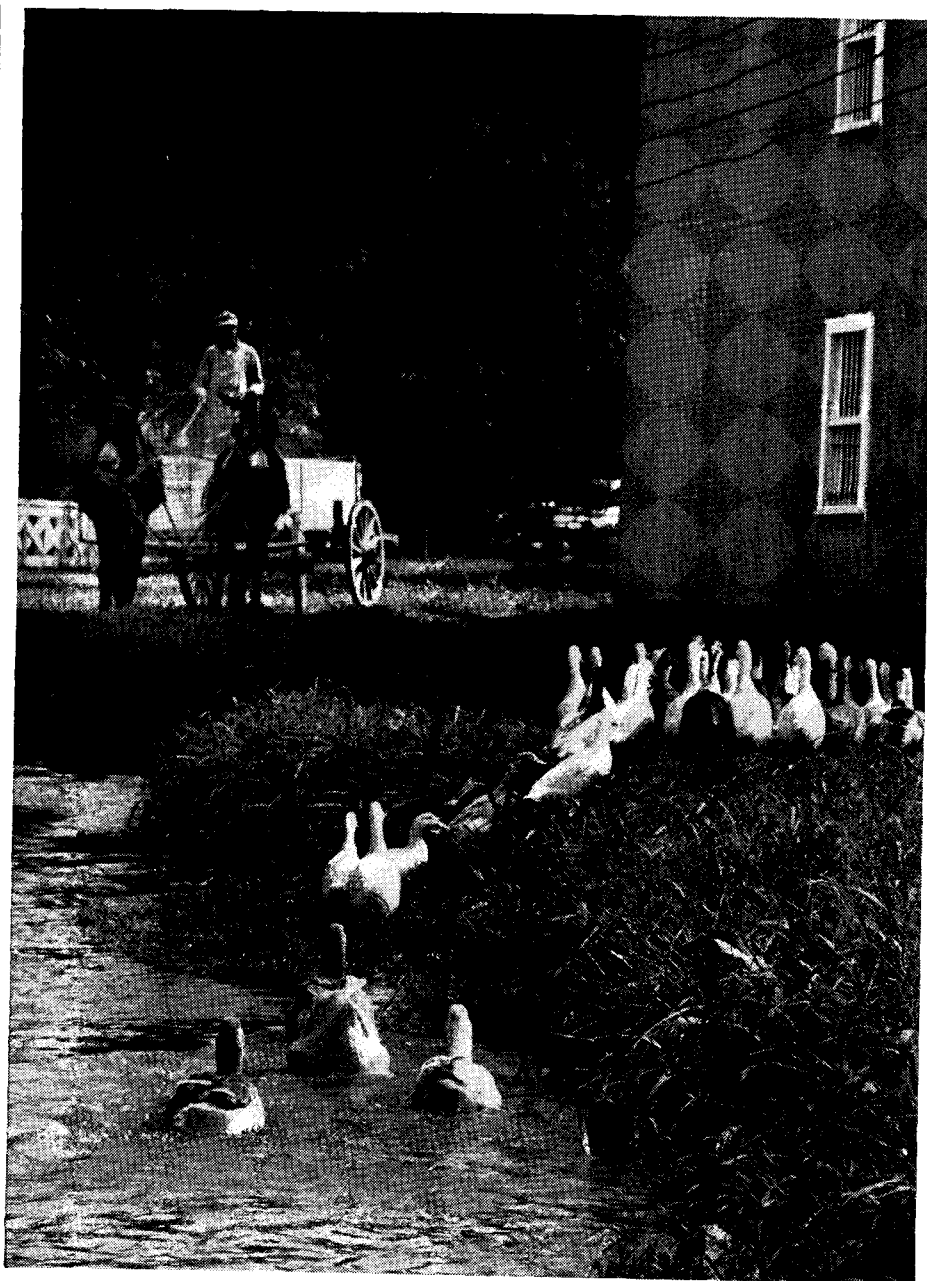
Norway's increase in overall production for 1960 was about 6.5 percent, and it is estimated that half of this increase came from exports. In 1959 the increase in gross national product was 4.5 percent, and two thirds of this gain is credited to exports. From 1959 to 1960 the number of wage earners went up by 15,500, and the volume of imports increased by 20 percent.

The government's long-term program for 1962 to 1965 anticipates an increase in production of 4 percent per annum. Economic planners believe that about half the total increase over the four years will be in manufacturing and shipping.

Idle fishermen

Norway entered the twentieth century with huge forests and rich fisheries, but in sixty-one years the nation has expanded both these resources for export to full capacity. Indeed, both forestry and fishing, as industries, are in decline. Norwegian forests cannot supply the paper and pulp industries even for their present capacity, and before World War II timber was being imported from Finland and the Baltic countries. Although reforestation is under way at last, seedlings planted now cannot be harvested before the turn of the century in this far-northern latitude. The herring catch, which went over a million tons for an all-time record in 1956, dropped to 70,000 tons in 1961. Herring fishermen last season reported vast Russian fishing fleets in the seas of Norway, "representing an obstacle to the operations of other herring fishers."

Fish biologists predict a steady decline of cod in the coastal waters; the annual catch of sardines has reached its limit; and the whale catch has been limited for years to 14,500.



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Report on Norway

Norway appeared to be considering withdrawing from the whaling convention last year but has not yet done so. Employment in fishing since 1948 had shown a decrease of 29 percent, according to the November, 1960, Fishery Census, dropping from 85,500 to 61,000 in twelve years. Last year the Storting appropriated five million kroner (about \$700,000) for unemployment-relief work, primarily for Norway's idle fishermen.

New industries

Fish and forests are resources which accounted for about 70 percent of Norway's exports before World War II. The government believes that if the Norwegian economy is to expand, the further development of cheap electric power is the answer. Of an estimated potential of 130 billion kilowatt-hours, Norway has so far developed only 31 billion kilowatt-hours. With more electric power, Norway can continue to expand production of strategic metals at a competitive price, even though some of the ores will have to be imported.

A second major industry in which substantial growth is hoped for is the more traditional one of shipping, in which Norway now ranks fourth in the world. By midyear 1961, Norway's merchant fleet had increased from less than three million tons in 1945 to well over eleven million tons. Contracts already placed by Norwegian shipowners for the next four years total another three million tons.

On December 19, a new three-year trade agreement was signed with the U.S.S.R., calling for increased import quotas of Soviet automobiles, machinery, and pulpwood. Because only 3 percent of Norway is under cultivation, bread grains are imported, including 75,000 tons of Russian wheat and 30,000 tons of rye annually.

Norway and the Soviet Union

Norway's relations with the Soviet Union underwent enormous strain last year after thirteen years of comparatively smooth sailing. The aggravating factors were Russia's attempts to reorganize the United Na-

tions in opposition to Swedish Secretary-General Dag Hammarskjöld, Russia's callous omission of any message of sympathy upon the occasion of the Secretary-General's tragic death in September, the resumption of Soviet thermonuclear testing, and the Soviet note of October 30 calling for talks between Finland and the U.S.S.R. for a mutual defense pact. Great though the outcry was against the Soviet bomb tests, the Russian note to Finland proved the greater shock and caused the most concern. It served to stiffen Norway's attitude of defense and to unify its people.

Said *Morgenbladet*, "The Soviet note to Finland has by one stroke flung Scandinavia into the cold war's vortex." *Morgenposten* grimly observed, "If the Soviet wants bases in Finland, it will take them. If it wants troops in Finland, it will have them there. Finland is alone. We can only hope the threats will not materialize, but if they do, our country's position will be imperiled as well. Norway is not alone. We are a member of the NATO defense organization. This is reassuring, but it involves obligations too."

The "obligations," of course, referred to the possibility that NATO might stock atomic weapons and offer tactical warheads for the defense of Norway. Although 95 percent of the Norwegians supported the Labor government's policy to stock such weapons if attacked or threatened with attack, the vociferous 5 percent, representing the Socialist People's Party and the Communists, appeared certain to weaken Norway's role in NATO by setting up roadblocks in the path of defensive policy decisions. More than any other segment of the Norwegian population, students from seventeen to twenty-four years of age appeared intimidated by the bomb tests and the note.

In spite of friction between Oslo and Moscow, Norwegians and Russians far to the north went briskly ahead with plans for a fence along thirty-five kilometers of the Russian border in order to stop reindeer from wandering over to the Russian side.

The shifting culture

Before Norway achieved independence from Sweden in 1905, the country had undergone centuries of

domination, dating back to the black death, when the old royal dynasty became extinct. The language was greatly influenced by Danish during the four hundred years Norway was politically tied to Denmark, and the Norwegian written language gradually became completely Danish. Today Norway has two official written languages, "book tongue," the idiom dominating literature, newspapers, and magazines; and "land tongue," evolved by the nineteenth-century poet Ivar Aasen, which is taught in the schools but is not widely used, except in the rural areas.

The existence of two languages is only one sign of Norway's long fight to preserve its national culture and to maintain independence from foreign domination. In spite of all, the foreign influence is mounting. American motion pictures and American rock-and-roll music have captured the teen-age psyche. With English now being taught in the public schools from the sixth grade on, there is no stemming the tide, no satisfying the demand for entertainment of the Elvis Presley and Debbie Reynolds order. From the North Cape to Lindesnes in the south, American films and pop music have grappled with the traditional culture and toppled it.

The legitimate theater, though active in Oslo and subsidized by the government, is not outstanding. The most successful of the plays are translations of American Broadway hits. There are no native dramatists to speak of, and the golden days of Ibsen and Björnson, of excitement in the theater, show no signs of reviving. Similarly, no living Norwegian novelist so far displays the power such as was found in the work of Knut Hamsun or Sigrid Undset. Perhaps the cold war has had its chilling effect on literature.

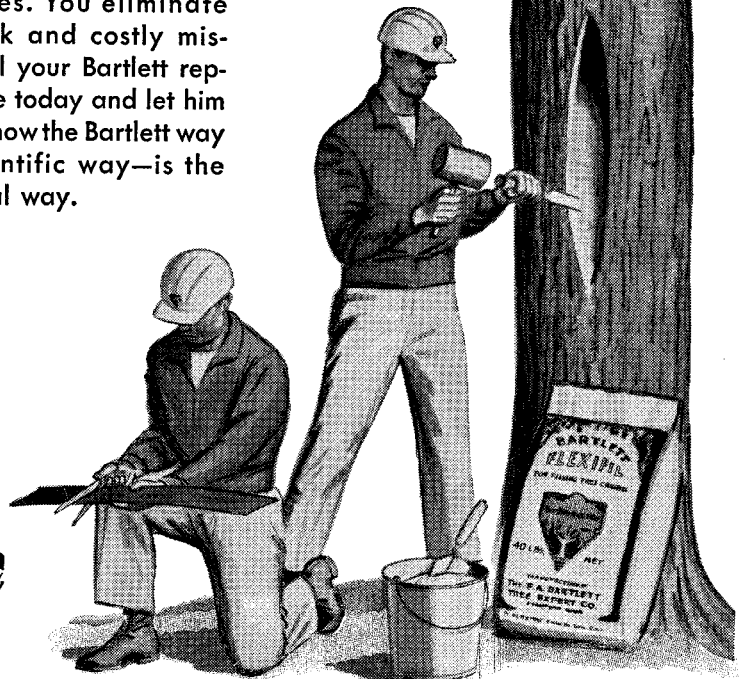
The graphic and plastic arts, on the other hand, are flourishing. Handicrafts have achieved new significance. Out of the Norse heritage there has come a new interest in the design, manufacture, and display of fine glass, jewelry, and furniture. These products find a ready market in a Norwegian public whose taste is becoming more and more highly refined. The Norwegian eye for beauty and utility was never more abundantly in evidence than in 1962.



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LETTERS TO AND FROM THE EDITOR



The limits of defense

SIR:

"The Limits of Defense" by Arthur I. Waskow (February *Atlantic*) is a clearing breeze in the murky and misleading air of self-deception in which we find ourselves. Anyone can puncture the arguments for deterrence without strain, but it is another thing to propose usable alternatives. Waskow has done this by illustrating two things.

1. Communists are not creatures from another world but are people, and, as such, are capable of the same deviousness and anger and misjudgment and wishful thinking as we are, and so we have a chance against them, for if we know ourselves, we can know them.

2. There are imaginative concessions that we can make that will weaken them, not us. Neither side can defeat the other in open conflict, but we need not concede them the advantage of playing the game their way and by their rules, when our way and our rules have got us further, faster, along the road of human adventure. Challenge them on our grounds! As Waskow points out, surely the variety of private and state enterprises the Western world is familiar with is a source of experience for us to draw on which the Soviets lack.

Waskow's is a voice to cheer us. Let us hear more from him — and let us listen.

J. R. NURSALL
Edmonton, Alberta, Canada

SIR:

Arthur I. Waskow's article "The Limits of Defense," in part describ-

ing the author's proposed "Path to Disarmament," will undoubtedly be of permanent value as a compact catalogue of every impractical gimmick suggested by American disarmament commentators since the awesome dangers of our post-war world were first recognized.

The clarity of the author's presentation of these many suggestions should serve adequately to expose the fatal weaknesses of each, as well as those of his general proposition that "the primary goal of American policy should be the adoption . . . of a world law against . . . any weapon above the level of small arms."

The mistaken assumption that armaments cause wars and that mankind's safety can best be sought in disarmament should not be allowed to divert the energies of those who would work for improvement in world order.

Surely that improvement will not result from mechanistic disarmament schemes, however intricate, nor from the breeding of those rather unlikable "neutral men" advocated by Mr. Waskow to form the staffs of the international civil service and *ad hoc* neutral private corporations.

ARTHUR RICCI
Cambridge, Mass.

SIR:

Arthur I. Waskow's "The Limits of Defense" is about the best reading I have enjoyed in a long time. I wish that this article could be made into pamphlets and distributed to every member of Congress, to superintendents of schools and universities, to church groups; in fact, to all

areas where the appeal to reason and common sense would best serve our national and international aims.

MONICA THOMPSON
South Weymouth, Mass.

SIR:

Mr. Waskow's objection to the Defense Department's use of the "Mix" concept in our defense policies is not valid. We must take the calculated risk that one war level will not lead to another, or to even more terrible effects. Failure to do so will lead to either surrender or unrealistic attempts at disarmament in a nuclear era.

As President Kennedy has so aptly remarked, "The professor is ever there [at the university] but I am here and I am responsible for getting the job done."

WILLIAM J. JORDAN
Mobile, Ala.

Segregation and the schools

SIR:

The views of Agnes E. Meyer in "Slums and Schools" (February *Atlantic*), in defense of Dr. Conant's book *Slums and Suburbs*, are unsound in regard to public school segregation. She agrees with Dr. Conant that the justices of the Supreme Court in *Brown v. Board of Ed.* "appear to have expressed no view as to whether the pupils in a completely Negro school are deprived of equal educational opportunity if they are not assigned solely because of their race."

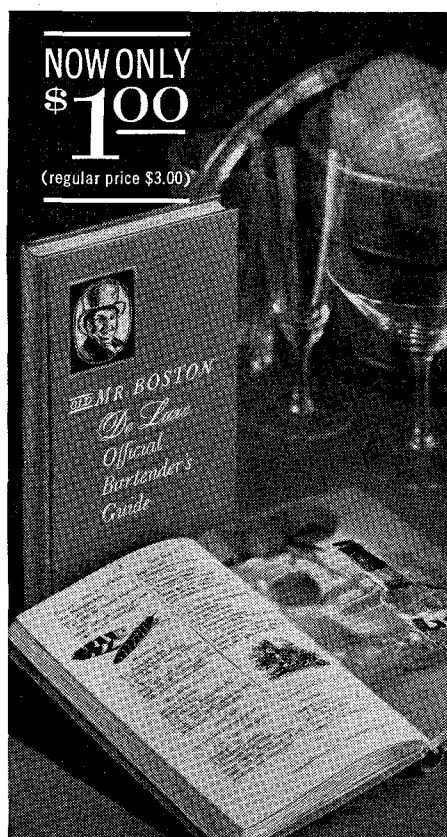
It is true that the narrow issue before the Court in 1954 was whether segregation of children in public schools solely on the basis of race



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produced inequality of education. However, an analysis of the rationale of the opinion (347 U.S. 483) indicates that the Court did recognize that lack of intermingling of the races within the educational process, as well as the denial of the ability to study, engage in discussions, and exchange views with other students, does indeed impair the educational process itself. The harmful effect on children is the same, whether caused directly by state law condoning segregation or, more subtly, as in the North, by neighborhood districting. To say that "the fact of . . . separation," because of the neighborhood in which the children live, is "no evidence of an inequality of education" is to ignore the plain and simple fact that learning to live, work, and cooperate with different peoples—in short, brotherhood—is essential to the mental and emotional development of mature individuals and to a free society.

STANLEY A. COHEN
Chicago, Ill.

Eichmann and the conscience

SIR:

You will forever have a very warm spot in my heart for the publication of Martha Gellhorn's article "Eichmann and the Private Conscience" in the February *Atlantic*. Miss Gellhorn almost paraphrases the feelings that I have experienced about the subject of the Nazi crimes in the last sixteen years.

Let me explain. I am half German, half American, and spent the war years in Stuttgart, Germany, until February, 1945, when I was lucky, and young enough to have the disposition to flee in protest against youth programs and take sanctuary in Switzerland. I had the help of friends, and no problems materially, and eighteen months later I was handed my American passport, giving me free leave to come to the United States as a derivative American. But in those eighteen months in Switzerland I saw and heard on a small personal scale what Miss Gellhorn saw and heard at Nuremberg and in Israel.

Miss Gellhorn has much bravery in speaking clearly, freely, and in not avoiding the emotion-arousing issues. I have attempted several times to write a story, or an article, or even a book about this last war and the way the German people looked and behaved, and about what seemed to

be abominable and what seemed good and kind about their feelings and actions in victory and in defeat. But then I would think about this most monstrous crime against humanity, and the loss to humanity through it, and drop my pen in shame.

MRS. SIGRID R. MCPHERSON
Manhattan Beach, Calif.

SIR:

Miss Gellhorn has made one grave omission that is germane to any discussion of the Eichmann trial. That omission is the question of the right of the government of Israel to try Colonel Eichmann, and of the legality of Colonel Eichmann's arrest and subsequent kidnaping. I have respect for the necessity of absolute adherence to the well-defined rules of legal procedure. I fear those who violate these rules as much as I fear those of Colonel Eichmann's breed.

RICHARD D. WHISSEN
Bloomington, Ind.

SIR:

Never before have I read anything so powerfully written as Martha Gellhorn's "Eichmann and the Private Conscience." I feel privileged to have had the opportunity to read her article.

HELEN T. SCOTT
Chicago, Ill.

SIR:

Miss Gellhorn's condemnation of Eichmann's war killings, yet immediate approval of his murder, reveals a prejudiced and conveniently inconsistent conscience.

MURIEL PILLSBURY
Portland, Me.

SIR:

Martha Gellhorn is right to include us all in the commission of this crime and to blame our conscienceless indifference to the agony of millions of humans.

EDWARD L. YORDAN
Saddle River, N. J.

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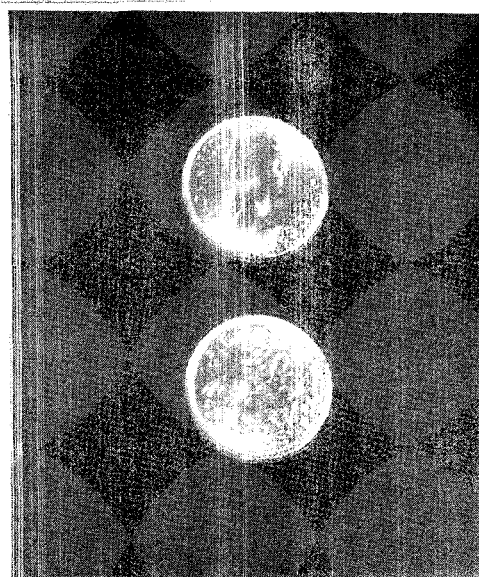
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Tourist's Guide to British Money

(Take it with you when you go)



SIXPENCE. The silver sixpence is the equivalent of 7¢, and a delightful little coin it is. The slang word for sixpence is "tanner." Traveling by rail in Britain can cost less than 3¢ a mile. And bus travel works out at about 2¢ a mile.



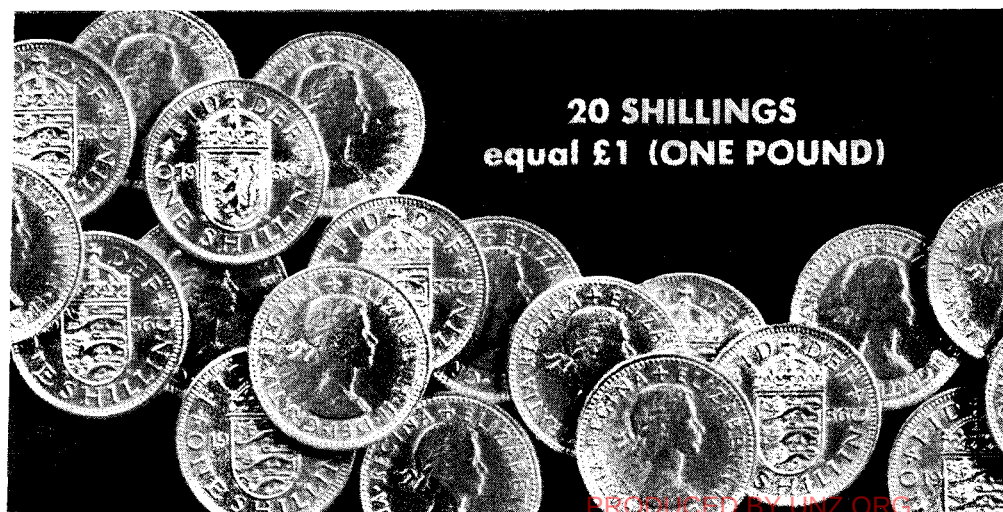
SHILLING. Equal to 14¢. (Slang: a "bob.") Twenty-one shillings make a "guinea," which is so aristocratic that there isn't a coin or banknote for it at all. You can do a lot with one shilling—see the Crown Jewels, or visit Hampton Court.



FLORIN. A two-shilling piece—28¢. The first florins were minted in Queen Victoria's reign and were known as "God-less florins," due to the omission of the usual Latin initials signifying "by the Grace of God" after the Queen's name.

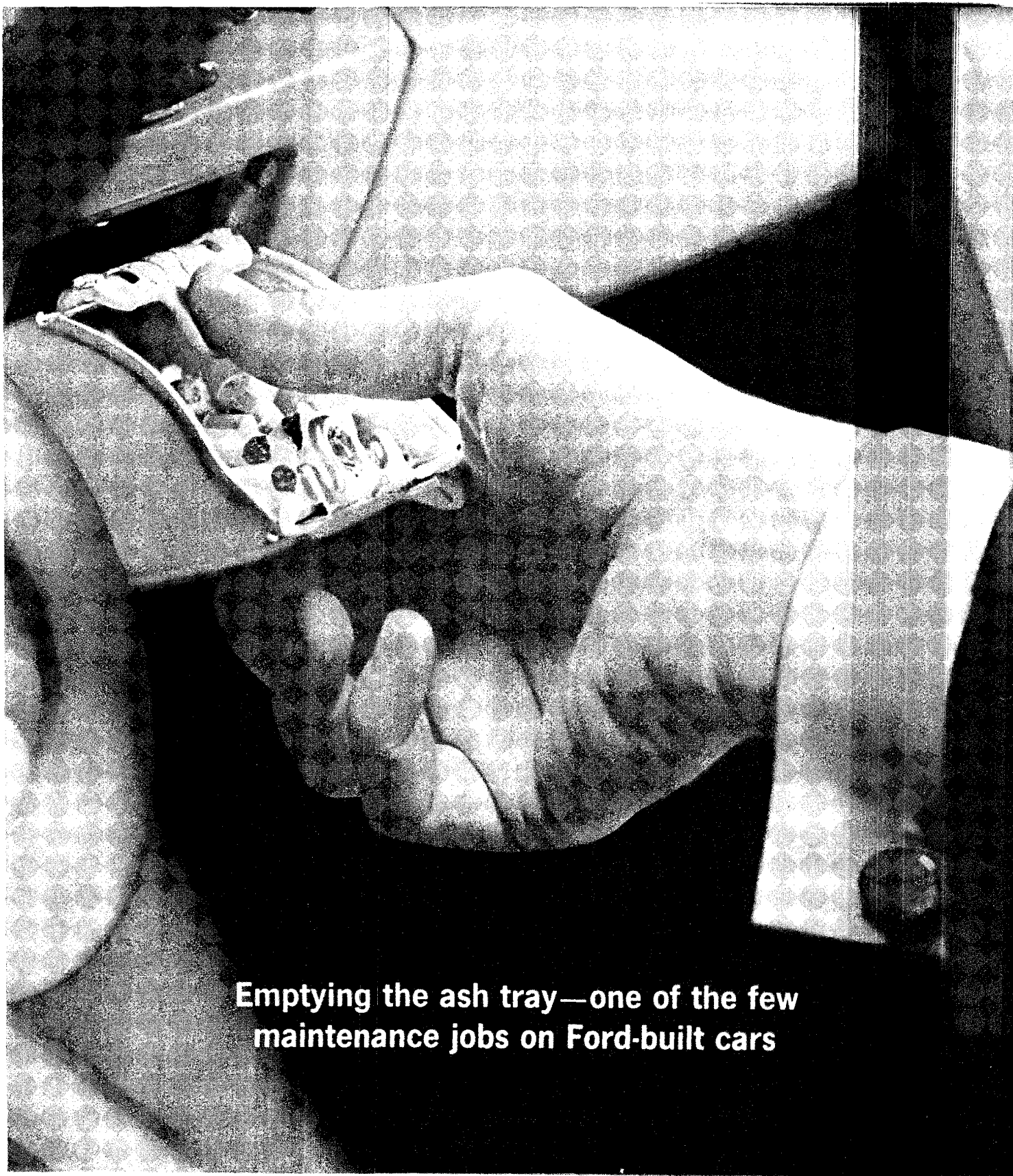


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THE RAPE OF THE APPALACHIANS

BY HARRY M. CAUDILL

HARRY M. CAUDILL, a Kentucky legislator from the Cumberland Plateau, speaks out against the savage destruction of the mountain region by the strip miners. He tells how they are ruthlessly gouging away the mountainsides in their search for cheap coal and of the ambiguous role of the TVA in this devastation of America's natural beauty.

DURING the last fifteen years, coal-mine operators have systematically destroyed a broad mountainous region lying within five states — Kentucky, Tennessee, Virginia, West Virginia, and Alabama. By a process which produces huge and immediate profits for a few industrialists, the southern Appalachians are literally being ripped to shreds, and eventually every taxpayer from Maine to Hawaii will have to pay the cost of flood control and soil reclamation in this strip-mining belt. Compounding the deepening tragedy is the fact that the TVA, which the Congress established for the benefit of one backward Southern region, has become a full-fledged partner in the devastation of another.

Experts in the Bureau of the Census have estimated that by the end of this century the population of the United States will have doubled. If this prediction is accurate — and in the past such estimates have erred on the conservative side — in only a little more than a generation hence, some 350 million people will earn their living, find shelter, and seek recreation on the same land area 185 million now enjoy. Such a prospect imposes on the present generation a positive duty to conserve timber, soil, and water resources and to bequeath them in a useful state to its progeny. The ravaging of the southern mountains now under

way on a colossal scale will, in my opinion, cause the judgment of history to brand our generation as criminally irresponsible.

Though the situation has received little publicity, it has not gone wholly unnoticed by official Washington. On September 30, 1961, Interior Secretary Stewart Udall told a group at Louisville that the problem is as serious as the soil erosion crisis which led to federal legislation in the thirties. He said that the federal government might have to take control over strip mining.

The Cumberland Plateau region of eastern and southeastern Kentucky is typical of the entire coal-field. Developments in the separate states followed the same general pattern, differing only in time and degree. In all these states the physical terrain is roughly similar, and the people are drawn from the same ancient English, Scotch, and Irish stock which settled along the tobacco coasts long before the Revolution.

The settlers who poured into eastern Kentucky after the Revolution found a rugged but lovely wilderness. Hills ranged from altitudes of a few hundred feet near the mouth of the Big Sandy River to more than four thousand feet in the Big Black Mountain. The valleys were narrow and twisting, and the whole surface was covered with a dense growth of trees. Unknown to the newcom-

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ers, the hills were striated with rich veins of bituminous coal, and other veins lay beneath the hills and under the river bottoms.

Until a decade after the Civil War, the mountaineers survived in almost complete isolation. Virtually without schools, churches, or roads, they lived as hunters and farmers. They were unaware of the great industrial revolution occurring in the rest of the country and totally ignorant of its implications for their coal-filled hills. Though parties of geologists from Louisville, Cincinnati, and Pittsburgh occasionally visited them and dug for coal samples, the mountaineers attached little significance to their hills. Thus, when coal buyers from the East came to the tiny county seats and announced their willingness to pay gold for coal lands, they found multitudes of eager sellers. The coal veins had never benefited the highlander or his family. Hence, he regarded them as worthless and thought himself lucky to find a buyer for them at any price.

The mountaineer was putty in the hands of the Eastern capitalists. Broad-form deeds conveyed not only the seams of coal "in, on and underlying" his land, but "all oil and gas, all stone and slate, all water and all mineral substances of every character, and all combinations of the same whatsoever." The deeds also contained long covenanting clauses which granted to the coal companies and their "successors and assigns forever" the right to remove the minerals by any means "necessary or convenient." The contracts ended with a catchall provision which absolved the mining companies of all damages that might be sustained by the landowners by reason of mining operations.

When railroads were built in the region immediately preceding World War I, and mining commenced, a torrent of litigation struck the courts. Mountaineers and coal companies sued to determine their respective rights, and with chilling uniformity the courts ruled in favor of the corporations. The deeds were fully sustained. By them, the courts said, the land had been dedicated to the coal industry, and neither the seller nor his descendants could complain when new technological developments made possible mining practices which were undreamed of when the deeds were signed.

In due time the courts sanctioned strip mining as having been authorized by the covenants. The mineral-owning corporations had acquired the coal underlying some 90 percent of the land in the plateau, and the court rulings in effect authorized the corporations to remove their coal by methods which totally destroy the usefulness of the surface without compensation for either the land or improvements placed on it by the mountaineer. And this though most of the minerals were sold for only

fifty cents per acre and practically none for more than five dollars per acre. Thus, the region was placed at the mercy of men who, in our time, can profit vastly from ruining it.

By 1950, decades of underground mining had left hundreds of worked-out ridges in the southern highlands. Most of the coal had been removed from these mountains, but in each of them valuable filaments of the mineral remained on the outer edges of the seams. These barriers of outcrop coal were fifty to seventy-five feet wide and had been left intact in an effort to stabilize the mountains so that the coal deep inside could be recovered by conventional tunnel-and-pillar methods. However, in most instances the coal in the barriers could not have been withdrawn from the inside, because such outcrops nearly always have a roof of crumbly stone which cannot be supported. The engineers turned to opencut mining as a device for extracting the remnants of the coal veins.

So it was that strip mining, that bane of the flatland coalfields, came to the southern mountains. It had already desolated thousands of acres in western Kentucky and eastern Illinois, where the earth is as level as a tabletop. Its evil effects were to be immensely magnified on the precipitous slopes of the Appalachian Mountains.

STRIP MINING in mountainous regions was rarely feasible prior to a dozen years ago. The earth-moving machines were not powerful enough, nor had market conditions been favorable to such activities. But by 1950 the situation had changed. A technological revolution had spawned a vast array of diesel-powered steel monsters capable of efficiently reducing a timber-clad mountain to loose rubble. The thickest seams were nearing exhaustion, and recurring wage increases in the unionized pits had caused the restive operators to seek alternatives for their costly armies of underground workmen.

These factors made surface mining increasingly profitable. It began with a few modest operations designed primarily to test the technique in its new setting, and expanded rapidly. Today it produces a substantial part of the coal removed from the southern field.

A stripper's machinery consists of a couple of bulldozers, a power shovel, an air compressor, and a pneumatic drill. Operation of these machines takes only a few men. To their wages are added those of a night watchman and two or three laborers, and the crew is complete.

With these men and machines, the operator first carves a road from the nearest highway up the hillside to the coal seam. The bulldozers follow

the seam around the hillside, uprooting the timber and scraping off the soil until the vertical coal face is uncovered. Then the dirt is cleared from the sloping mountainside above to expose the overlying rock. Rows of holes are drilled in the rock and are tamped with explosives. Most of the dirt and rock is blasted violently down the hillside. The bulldozers then shove the remainder of the shattered overburden down the steep slopes. By this method a sheet of coal several feet thick, forty or fifty feet wide, and half a mile long can be exposed within a few days.

Next, holes are drilled in the coal, and small charges of dynamite loosen thousands of tons of the mineral, leaving it available for the shovel's big dipper. A number of trucks are hired to haul it away to the processing tipple.

This method of recovery is vastly cheaper than shaft or drift mining. Six or eight men so employed can dig more coal from the outcrop than five or six times their number can mine underground. The bulldozers, shovels, and drills are expensive, but not more so than their subterranean counterparts. A strip-mining outfit can produce a ton of coal for little more than half the cost imposed on a competitor in the deep pits.

The devastation wrought by open-cut mining in mountainous terrain must be seen to be believed. Masses of jumbled rubble are dislodged. The thin layer of fertile topsoil goes first, and then the trees that find sustenance in it. The sterile subsoil, stone, and slate follow. As the cut extends deeper into the hillside, the process is repeated again and again. Sometimes the high wall, the perpendicular bank above the cut, rises ninety feet, but a height of forty to sixty feet is more often found. In a single mile, hundreds of thousands of tons are cast. Many ridges contain three to five veins. Since each can be stripped, a sloping surface can be converted to a steplike one.

After the coal has been removed, huge quantities of the shattered mineral are left uncovered. Most seams contain sulfur, an impurity which, when wet, produces toxic sulfuric acid. This poison bleeds into the creeks, destroying vegetation, fish, frogs, and other stream dwellers.

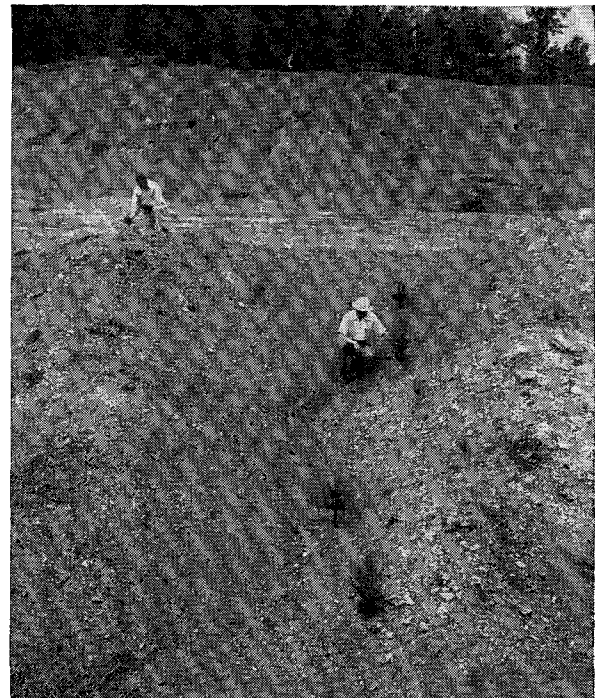
Strip mining is done largely in dry weather. In spring, summer, and fall the machines tear tirelessly at the mountains. In the hot sunshine the churned earth turns powder dry and the spoil banks lie soft and fluffy. Like monstrous aprons, the spoil banks extend downward from the cut-lines. Stones as large as army tanks are sent crashing through trees and undergrowth onto farmlands and into creeks. Even in summer the nearby creeks take on a sallow hue after the slightest shower. People along their banks apprehensively eye the rising high walls above the dead and

blasted slopes. They remember other years, when flash floods pounded hillsides scratched by hoes and bull-tongue plows.

The rains of autumn flay the loose rubble, carrying thousands of tons of it onto the farmlands below. The runoff shaves inches from the surface in almost instantaneous sheet erosion. Simultaneously it carves deep gullies. The rain becomes more kindly, however, and eventually lessens its ravages by compacting the surface. Gradually the beating drops create a shell which affords considerable protection to the underlying soil. Then, in late November, the saturated spoil banks freeze. The ice pushes the dirt outward, leaving deep fissures extending far underground. With warmer weather the earth crumbles and skids downhill in tremendous landslides. The process is repeated until the displaced soil reaches the stream beds.

Within a few years after the strip operator has slashed his way into the hillside, the elements have carried away most of his discarded overburden. The dirt has vanished, leaving expanses of brown sandstone and slabs of gray slate. A few clusters of broom sage and an occasional sycamore take root and struggle to survive. A well-watered and once verdant land has been turned into a desolate waste.

Initially the strippers worked only in the outcrop of exhausted mines. The coal auger made its appearance as a method of removing that portion of the coal which could not be reached by strip-



EVERGREEN SEEDLINGS ONE YEAR AFTER PLANTING
Photograph by Billy Davis courtesy of Louisville COURIER-JOURNAL.

ping. The auger is a gigantic drill which bores back into the coal seam, spewing out huge quantities of the mineral with each turn of the screw. The augers range from seventeen inches to six feet in diameter, and the point of the drill may eventually extend some seventy yards into a hill.

After the already disemboweled hills were stripped and augered, the big bits moved into virgin ridges and began to rend seams which had never felt a pick. Under such circumstances, the bulldozers gouge out only enough of the overburden to expose the coal. Then the boreholes follow one another in a procession along one side of the meandering ridge. When the end of the ridge is reached, the boring continues on the other side of the mountain, the holes extending toward those drilled from the first side. A six-foot auger turning uninterruptedly can load fifteen tons of coal in a single minute. If the fleet of trucks can keep pace with the bulldozers and augers, the profits are fabulous.

Strip and auger mining have one real advantage over conventional methods. They eliminate the need for men to go into a hill. The perils of slatefall and fire do not pursue the surface workman; but nothing else can be said in defense of the process.

Augering in virgin ridges is fantastically wasteful of coal. Rarely do the bits extend into the mountain more than a quarter of its width. If the boring proceeds from both sides, a solid block is left in the center of the ridge which contains at least 50 percent of the original tonnage. When allowance is made for the space left between the auger holes and over and under them, another 25 percent of the seam's content is unretrieved. Competent mining engineers have testified that such a project is highly successful if 20 percent of the total coal is removed. Unfortunately, when the ridge has been augered on both sides it is no longer possible to mine the remaining coal by conventional methods. The boreholes are so close together that they leave no pillars of sufficient thickness to support the roof. Within a few years after air is admitted into the seam, the remaining coal begins to crumble, and the weight of the overlying rock and soil crushes the thin walls between the holes. The coal in the interior is thus sealed against the outside world.

Even if the problem of access is solved by leaving occasional entry places, there are other difficulties. Tunnel-and-pillar mining requires ventilation as well as roof support, and if a reliable air supply is to be maintained at the working places, an outer wall of coal some twenty-five to forty feet wide must be preserved around the entire mining area. If this is pierced or is allowed to crack, the precious oxygen will escape. Thus, if an entry is made, it must operate within the confines of the outer pillar,

following the furthestmost penetrations of the auger bits. When this indispensable safeguard is deducted, too little coal is left to justify the expense of mining it. The nation now has tremendous reserves of coal; but in an age of rising population and increasing dependence on the products that chemistry can wring from fossil fuels, it is not prudent to permit the continued waste of so vital a resource.

OPENCUT strip mining does not always follow the meandering borders of the ridge. A different procedure is used when the vein lies near the top of the hill. There the strippers blast and carve away the stone and soil overlying the coal, shoving it over the brink until the entire seam lies glistening in the sunlight. Such an operation can transform a razorback ridge into a flat mesa. After the strippers have departed and the rains and freezes have flayed the decapitated mountain for a season or two, it takes on an appearance not unlike that of the desolate tablelands of Colorado. But these man-made mesas lie in a rainy area, and the loose soil cloaking their slopes will not stay put. It melts away, only to reappear at countless places downstream.

I was a member of the Kentucky legislature in 1954, when Governor Lawrence Wetherby proposed a mild control bill for the coal industry. Lobbyists for the mining companies descended on the state capitol by the score. Spokesmen for one company pointed out that it owned 5000 ridgeline miles which it proposed to strip and auger during the coming decade or two. An official of another corporation declared his company planned to work 1200 such ridgeline miles. A diluted version of an initially weak bill was passed, but successive governors have failed to enforce its mild provisions. For all practical purposes, the operators in the five states are permitted to conduct their affairs as they see fit. Little effort is made to reclaim the land, and, indeed, reclamation is virtually impossible once the surface has been so violently disturbed.

Such reclamation statutes as have been enacted require strippers to replant the acres they have ravaged. Conservationists generally recommend shortleaf or loblolly pines for the spoil banks and insist that a full year pass before planting. This delay allows the piled soil to settle enough so that the seedlings can take root. Ten years must elapse before trees growing in such impoverished earth reach the height of a man. In the meantime, the rains have carved the earth around their roots into deep gullies, and there is little left for their foliage to protect.

Upper Beefhide in Letcher County, Kentucky, is a terrible example of the disaster that can befall

a community as a result of strip mining. The mining company offered not even an apology for the excesses it had committed, but insisted that its mineral deeds empowered it to render the whole region uninhabitable if it so desired. Before the valley was wrecked it comprised a voting precinct, and several hundred men, women, and children lived reasonably well within it. Eight years after the stripping ceased, three quarters of the population had moved away. Today a dozen old-age pensioners and a handful of children and their dispirited parents remain.

The industry's impact on the relatively poor Southern states is incalculable. While mountain land is assessed for tax purposes at a low level, strip mining often eliminates it altogether from the tax rolls. The owners regard it as worthless and decline to pay taxes levied on it. As a result, the region is deprived of desperately needed revenue for schools and other public facilities. Mud from the spoil banks congests creeks and ditch lines. Communities must bear the cost of dredging them, and necessary road construction and repairs must wait.

A few months before this article was written, I discussed a huge stripping operation with the engineer who was directing it. He was a veteran of nearly forty-five years' experience, and he summed up his lifetime of work in these words: "When I came to this coalfield, most of the hills were covered with fine timber, and all of them were full of top-grade coal. Since then we have gutted these old mountains and shaved 'em off clean. Now we are skinning 'em and cutting their heads off!"

SINCE 1932, American taxpayers have lavished money on reforestation, soil banks, and other conservation schemes. The gray emanations from the dust bowls have been combated at untold expense. Billions have been spent to dredge the sand and mud which clog our streams. But what state and federal foresters have labored to accomplish, other government agencies have toiled with equal determination to undo.

Until about 1953, the Tennessee Valley Authority was a benevolent agency whose administrators gave every evidence of a wise dedication to public service. Conceived as an immense experiment in the rehabilitation of people and resources, the TVA accomplished genuine miracles. With its huge dams it disciplined rivers and creeks, restraining their waters and permitting them to run off harmlessly. The same magnificent dams poured out cheap electricity which lighted homes and ran factories all through the valley of the Tennessee. Never before had an agency of government brought so many advantages to a population, while

at the same time broadening rather than limiting its liberties.

But in the last decade a change has come over the TVA. By degrees it changed direction, converting itself into a mammoth corporation which subordinated all other considerations to low costs and balanced budgets. The authority had brought into its domain more electric appliances and factories than its falling water could propel. So, quite logically, Congress authorized it to build steam generators to produce electricity at a rate which would keep pace with the region's factories and mills. It was calculated that the steam plants would burn millions of tons of coal annually, and the coal industry was delighted by the prospect of such a fabulous new customer.

In the electric-power industry, too, events have moved rapidly. It is no longer necessary to feed the fires with fuel that is free of slate and dirt. In the immense modern forced-draft furnaces, relatively cheap and low-grade coal can be burned efficiently, and purchasing agents began buying by thermal units rather than by tons. This dovetailed precisely with the capacities of the strip and auger corporations, whose product inevitably contained sizable quantities of inert waste. The voracious furnaces of the TVA could devour their coal easily. Because of its tremendous fuel requirements, this great public corporation became the godparent of the burgeoning strip-mining industry.

On April 12, 1961, the TVA announced that it had accepted bids to supply 16.5 million tons of Kentucky and Tennessee coal to its plants. One operator contracted to provide the fuel at only a few cents above two dollars per ton. On the whole, the bids remained under three dollars per ton. Even at these fantastically low prices, the operators could expect to clear between seventy-five cents and a dollar on the ton. It is doubtful whether the most thoroughly automated underground mine could produce the fuel at a cost of less than three dollars per ton.

The TVA, mighty benefactor of the Tennessee Valley, is subsidizing the destruction of the southern mountains. Its furnaces have inspired private companies to build similar but smaller plants. Detroit, Chicago, New York, and many smaller cities have seen such installations arise on their borders, each of the colossal chimneys carrying into the atmosphere smoke from hundreds of tons of fuel daily. Meantime, strip and auger mining have grown to a rank of genuine importance, since only this branch of the industry can produce fuel cheaply enough to satisfy TVA and the private power corporations, and at the same time earn a profit.

TVA has boasted of its cheap and stable charge schedule. Other producers of electric power have

struggled to remain reasonably close to its price level. Their consumers have been convinced by reams of slick advertising that in cheap electricity they receive the best bargain afforded by the American industrial machine. The truth is that cheap power is being bought at a tremendous hidden and deferred cost which another generation will pay with compound interest.

TVA's involvement in the electric-power industry is gigantic. Its steam plants are located at Colbert and Widows Creek, in Alabama, at Shawnee, Kentucky, and at Gallatin, John Sevier, Johnsonville, Kingston, and Watts Bar, in Tennessee. Under construction is the Bull Run plant at Oak Ridge, Tennessee, where four and a quarter railroad gondolas of coal will be consumed each hour. When completed, the even bigger plant at Paradise, Kentucky, will gulp millions of tons annually. This gargantuan industrial complex recently put into effect a rate schedule under which its ordinary homeowner customer will pay only \$4.50 per month for electricity. But the agency is rapidly consuming the coal foundations on which it stands. In order to raise a hedge around its empire, it has commenced buying broad tracts of coal.

In June, 1961, TVA's general manager announced the purchase of mining rights of 59,000 acres of land in eastern Kentucky and the obtaining of an option on 53,000 additional acres in northeastern Tennessee. These acquisitions add to the region's other woes the specter of enormous

strip mines owned and operated by the federal government. Inspired by the success of TVA, other large consumers have resorted to the same methods. Already both Bethlehem Steel and United States Steel are stoking their furnaces with coal ripped from the southern hills.

A flight over the coal counties reveals long yellow lines and vast fallow patches of sterile earth. Unless men find some way of repealing nature's laws, calamity cannot be long in coming. Appalachia is wet country, receiving an annual precipitation of more than forty-five inches. This water and gravity spell disaster for the towns and cities past which the rivers flow.

Ironically, the crumbling mountains threaten the splendid lakes for the construction of which the TVA was created. Initially, engineers estimated these impoundments would enjoy a life-span of centuries, and in some cases, of millennia. But they assumed that the watersheds would be stabilized with vegetation. As stripping chews up the land from which the authority's water is derived, it reduces by decades the usefulness of the lakes.

If the nation's rivers are to be subdued and its string of costly lakes preserved, the mountain slopes must be sheltered with foliage. Cheap power purchased by the ruin of vast land areas and the silting up of our precious complex of freshwater reservoirs will prove a costly bargain indeed. The wrecking of the southern coalfield is a national problem, and unless a national solution is found for it soon, the harm will be irreparable.

DAPHNE

By Lynne Lawner

What tunes on the casual wind
Will these ten shoots of leafy branches play,
When night has invaded every crack and crevice of her body? —
Shredded hair and harrowed fields
That felt the slightest flutter of the air
An invasion.
Now the sun daily rapes her,
Now her lifted hands' gnarled knuckles
Hold off the oppressive sky,
A foot's fantastic flower
Resisting rain.
How did he wreak such changes,
His own body frail as a girl's?
Now hers, hardened to a tree's repetitive delicacies,
Suffers no human's,
Reproaches no god's touch.

KATHERINE ANNE PORTER

The Making of a Novel

BY GLENWAY WESCOTT

Novelist and critic whose first novel, THE GRANDMOTHERS, won the Harper Prize of 1927 and commanded the instant liking of readers and reviewers, GLENWAY WESCOTT has been a close friend of Katherine Anne Porter's since 1932. Miss Porter's novel SHIP OF FOOLS is the April selection of the Book-of-the-Month Club, and in the appreciation which follows, Mr. Wescott has amplified the critique which he originally prepared for its subscribers.



HAVING had the pleasure of a long friendship with Miss Porter, I find it irksome to call her "Miss Porter." It has been mainly a comradeship of the literary life, and on that account perhaps, in conversation and in correspondence, I often address her as "Porter." A host of her fellow writers and others speak of her and to her as "Katherine Anne," with or without a basis of intimacy. Somewhat like Jane Austen, or like Colette, she has an unassuming sort of celebrity that invites or inspires friendliness. Let me now also take the fond informal tone, to celebrate the publication of her novel *Ship of Fools*, twenty years in the making.

First, some facts: She was born on May 15, 1890, in Texas, in "soft blackland farming country, full of fruits and flowers and birds," on the banks of a branch of the Colorado River denominated Indian Creek, small and clear, unimportant but unforgettable. She went to a convent school, perhaps more than one, and was an uneven student: A in history and composition and other subjects having to do with literature, but, she admits, "D in everything else, including deportment, which sometimes went down to E and stopped there."

She spent an important part of her girlhood in New Orleans, and afterward lived in New York City, Mexico City, Paris, Baton Rouge, Louisiana, and in more recent years, in upper New York state, southern California, Connecticut, and Washington, D. C. Prior to *Ship of Fools*, she pub-

lished five short novels or *nouvelles*, and approximately twenty short stories (my count), and several dozen essays and criticisms and historical studies; quality always instead of quantity. She is an incomparable letter writer, sparkling, poignant, and abundant, and a famous conversationalist.

Now let me try to describe her: like many women accustomed to being loved, she dreads and disapproves of photographers, although in fact usually she has lent herself well to their techniques, and they have been on her side. I remember one of her diatribes, some years ago, against a photographer and an interviewer, sent by one of the news weeklies, who, she said, had caught her unawares and committed a misrepresentation of her. In the photograph in question, when it appeared, she looked to me like Marie Antoinette young, her hair perfectly coiffed and powdered-looking, playing her typewriter as though it were a spinet. And it amazed me to note how skillfully she had been able to simplify the record of her life for the interviewer, also.

She has a lovely face, of the utmost distinction in the Southern way; moonflower-pale, never sunburned, perhaps not burnable. She is a small woman, with a fine figure still; sometimes very slender, sometimes not. Her eyes are large, dark, and lustrous, and they are apt to give one fond glances, or teasing merry looks, or occasionally great flashes of conviction or indignation. Her

voice is sweet, a little velvety or husky. In recent years she has familiarized a great number of appreciative fellow Americans with it, by means of reading and speaking engagements and phonograph recordings.

THE three years on the hilltop in Connecticut appear to have been the crucial period in the composition of *Ship of Fools*. In a letter dated April 26, 1958, she described her life there: "I need to keep submerged in the same mood and state of mind for *weeks* at a time, very hard to explain to people who need a change and recreation every day, and sometimes several times a day. Of course I do a little baking, and I water the plants, and walk in the meadow, and even read a little now and then, mostly poetry, but I have stopped listening to music. I must keep silence."

Literary critics and historians have often remarked the mighty contributions of the female sex to literature. For the most part those who have done the contributing have been spinsters, nuns, courtesans, invalids, a little exempt from the more distracting, exhausting aspects of womanhood as such. Katherine Anne, throughout her youth and middle age, led a maximum life concomitantly with her perfect, even perfectionist story writing. As I have remarked, she seems to like to simplify a part of the record of her existence for any sort of questioner. In fact, except for essentially private matters of love and marriage and ill health and economics, it really has been simple. And therefore I (and other friends), instead of concentrating on ascertaining all the realities, the dates and the names and the locations and so on, have always interested myself in what might be called story material about her, somehow more characteristic than the mere biography.

For example, when she was a girl, somewhere in the South, she had to spend months and months in a sanatorium with a grave pulmonary illness, diagnosed as one of the baffling, uncommon forms of tuberculosis. She was too ill to have visitors. Letters also evidently were overstimulating and exhausting. Even books seemed not good for her; her reading had to be rationed, just a few pages at a time. Then it was discovered that the intense *restlessness of her bright eyes, gazing at the ceiling, examining and re-examining the furniture, staring at the solitude*, gave her a temperature. Her doctor therefore prescribed that a green baize cloth be placed over her face for an hour or two every morning and every afternoon, as one covers the cage of a canary bird when one doesn't want it to sing. I feel convinced that if anything of the sort were done to me, I should give up the ghost,

on account of the autosuggestion and the discouragement. Not Katherine Anne! That was only the beginning of a lifetime of delicate health and indomitable strength.

All this balance of physiology in her case, strong constitution, poor health, has mystified those who care for her. Perhaps the physicians whom she happened on here and there — "the pulse-takers, the stethoscope-wielders, the order-givers," as she has called them — have been mystifiers in some measure. One of them, in upstate New York, told her that her trouble was all a matter of allergies, and when she inquired, "What allergies?", his answer was, "You're allergic to the air you breathe."

Another, in California, she wrote me, "set out to change my chemistry, which made him say *tst, tst*, after a very thorough going-over, and he aims to supply all my lacks and to suppress all my internal enemies. There is about the whole project something so blithely Californian that I cannot but fall in with it."

Still another, a young one in Connecticut, pleased her by practicing "real materia medica," and not saying anything at all about her state of mind or her nervous condition. She has always objected to having strangers, even specialists, fussing around in her psychology, comparing them to the most disrespectful, disrupting type of cleaning woman. "They mess the place up; they don't know where things belong or what goes with what."

One year at Christmastime, when she had been felled for ten days by some form of influenza and had been taking one of the sulfa drugs, she got up out of bed, though in mortal weakness, took a look at herself — prettily dressed, with "her hair in a curl or two," with an expression on her face which she could not quite make out, "distinctly remote, disengaged, full of mental reservations" — and then, in a longish letter, undertook to make clear to me her whole view of life. But it was unclarifiable, inexplicable, she had to admit, even to herself as she was living it, "because its truth or falseness cannot be known until the end."

Therefore, instead, she concluded that letter with an account of the medicines she had been taking: "a fantastic row of apothecary's powders, pills, and potions, all of them in the most poisonously brilliant colors, amethyst and sapphire and emerald and purple, each with its own mission of soothing or elevating the spirits, calming the heart or stimulating it, loosening the phlegm and tightening the nerves, stopping the cough and lowering the fever."

"As for the sulfa, I have had to take a tablet every four hours for two nights and two days, and never once did my mind fail to wake me at the

right hour, on the hour, like a little radio station. Once I slept stubbornly, and was waked by a sharp rapping at my door. It was four in the morning; the whole house was asleep and quiet. I sat up in bed, knowing Who had done it."

It is hard to read this slight incident rightly, with its capitalized Who, suggestive of the commissioning of Mozart's never-finished Requiem by Whoever-that-was, a being never seen again, and of other such myths. But, stop and think, if that rapper at Katherine Anne's door at four in the morning had been Death, He would have stayed his hand and let her sleep and skip the sulfa. That was in 1943; it is pleasant to think that the greater part of *Ship of Fools* was written on time borrowed from Him.

No doubt about it, there are warring forces in Katherine Anne. Is it that her physique wearies of having to house a spirit so strenuous and emotional, and now and then tries to expel it or to snuff it out? Or is it instinctive in her soul to keep punishing her body for not being superhuman, for not being ideal, for not being immortal? Neither has ever prevailed over the other; both have been invincible. Nothing has come of the great dichotomy; or, to be exact, literature has come of it.

"Every force of instinct and every psychic evil in us," she once wrote, "fight the mind as their mortal enemy; but in this as in everything else, I have known from the beginning which side I am on, and I am perfectly willing to abide by my first choice until death; indeed I can't do otherwise. For death it must be in the end, so far as the flesh is concerned; but what lives on afterward can be honorable." To wit, twenty-six works of fiction of different lengths, honorable and, I am sure, durable, and more to come.

She lived in Mexico for a good while when she was young, and a number of the men who revolutionized that intense and artistic though primitive nation were her friends. She personally publicized the art of Diego Rivera and Covarrubias in New York and brought what may have been, as she remembers it, the first exhibition of Mexican-Indian crafts north of the border. One of the revolutionaries wrote a song about her, "*La Pelegrina*," which, I have heard tell, has become a folk song; little companies of boy singers, like boy scouts in a dream, sing it in the streets. Several stories in her first volume, *Flowering Judas*, softly resound with vocal music.

Some years later, in Paris, she wrote another Mexican tale, a *nouvelle* in memoir form, *Hacienda*. It is a rarity in her lifework, in that it is all *à clef*; mainly a portrait of the great Russian film maker, Eisenstein, with others of note, helpers and hinderers of his work in Mexico, clustered around. It has a singularity of style also, somehow an outdoor

style, leafy and tendrillous, seeming to weave itself into a fabric without her usual touch; soft breezy sentences, with a warmth and animation unlike her earlier writing.

Certainly it points toward *Ship of Fools*. For some mysterious reason, perhaps nothing but the timing in her life, her recollection of Mexico evidently has lapsed less for her, subsided less, than that of other places she has lived. *Flowering Judas* had an odd, almost painful dreaminess, with only present-tense verbs; and in the first twenty pages of *Ship of Fools*, when the passengers are assembling and waiting to sail, as in "a little purgatory between land and sea," the half-Indian world seems to reach out after them, and it haunts the entire volume, across the ocean, though its subject matter is mainly German and American.

Now, to turn to another area of the legendry of Katherine Anne's life, one which she has not perpetuated in any of her fiction: it used to be said that at an early age she had been in the movies as a Mack Sennett bathing girl, along with Gloria Swanson and Mabel Normand *et al.* Certainly she was as good-looking as they, whether or not she could have performed as funnily. For some reason I never like to question or cross-question her about things; but I once ventured to do so about this. It was a matter of journalism, she explained, not show business. Commissioned to write an article for some newspaper or magazine, she pretended briefly to be a comedienne for the sake of the realistic detail and local color.

Not so long ago, she had a try at earning her living by script writing. Her first Hollywood assignment was not so much to write as to be attached in an Egeria-like or muselike capacity to a famous producer, now dead. For a while this amused her; at least she sent back to the Eastern seaboard amusing reports of it. "One or the other of us," she reported — the producer had another salaried writer also at his beck and call, perhaps more than one — "tosses a tiny shred of an idea at him. He seizes it out of the air and without stopping for breath constructs a whole scene. He then asks us what we think of it, and as we open our mouths to answer, he says, 'It's a wonderful scene. Now what else have you got in mind?' And the thing is repeated; sometimes we just sit there for two hours." What he had in mind, or perhaps I should say, in the works, was a film about Queen Elizabeth.

Presently she began to feel like "a fox with his leg in a trap," gnawing away at it; and by the end of the thirteen-week stint contracted for in the first place, she had persuaded her famous man that

she was not the inspirer he needed. A part of their maladjustment, she sensed, was the fact that he was a Christian Scientist, whereas she had been brought up a Roman Catholic. During the thirteen weeks he had seemed deeply disapproving of the large salary that he or his studio had been paying her; but at the last, suddenly, she wrote, he "began to worry about my future. What on earth was I going to do now? where was I going? did I have any money? I was happy to be able to tell him that I was relatively rich and wasn't going anywhere."

In fact, she was relatively poor; apparently they had been paying her in Confederate money or fool's gold or something. Not seeing any other solution for her practical problems just then, she transferred her talents to another studio, where she was put to work on a film about Madame Sans-Gêne.

All her life, Katherine Anne has been bewitched by the hope of ceasing to be homeless, of settling somewhere and getting her books and manuscripts and notebooks out of storage and within reach, on shelves and in filing cabinets and in ring binders. With the evanescent Western money she bought a small segment of mountain for a building site, but could not keep it. One day, as she sat peacefully writing in a rented ranch cabin in the Mojave Desert, a western wind arose and tore out a window frame over her desk and slightly fractured her skull; as you might say, the furies! But, never forget, the furies sometimes are on the side of the angels. She did not properly belong out West, at least not then.

In subsequent years, at intervals she has had to depend on the universities and colleges for her livelihood. As a rule, at the beginning of her various stints or bouts on campuses, she has been persuaded by the literature-loving educators who have arranged things, or she has persuaded herself, that not much actual pedagogy would be required of her. Usually, however, they seem to have got the harness on her in some way. I remember a letter from a very great university indeed, in the Middle West, specifying her teaching schedule: only five hours a week actually behind the microphone in the classroom (so specified in her contract), and only about eighty term papers to be read and graded. But she also had to examine the manuscripts of the more creative young persons on campus and to advise them in hour-long sessions; about fourteen of these a week. Also, once a week she had to give a spontaneous hour-long lecture to some special class or group or club. I imagine that no trained and experienced professor would find this schedule at all onerous or unfair. To Katherine Anne, as a mature woman of genius in delicate health, perhaps somewhat proud and

euphoric, with so much creative work of her own not only in mind but partly on paper and covered by publishers' contracts, it seemed hard; and all too often her university engagements were terminated by illness.

SHE and I became friends in Paris in 1932 and began our correspondence upon my return to this country in the autumn of 1933, and it has been continuous ever since. I have been rereading all her letters to me and another precious collection lent by a friend of hers and mine; and now that much of the circumstantial detail in them has ceased to be of interest, and therefore the main elements and outlines of her mind and her life appear more impressively, as it were, a range of hills which the autumn has stripped of leaves, I am struck by something about them that may have conditioned her, even benefited her, in her art of fiction.

It is that they are extraordinarily, uniquely subjective — self-judging and explanatory and disciplinary, and self-defending, with matchless detail and finesse in all these mirrorings of the heart and the mind, shifting and shining and, in a way, hypnotizing — whereas in fiction she has been free from herself. In fiction she has maintained the oddest impersonality, a disengagement from any sort of autobiographical point of view, a distinctness between her own ego, her sensitivenesses and compulsions and illusions, and those of all the alter egos that she writes about, and an abstention from fantasy and lyricism and rhetoric of which most novelists — indeed, many journalists and historians — are incapable.

It is almost startling to compare her with other famous twentieth-century women in this respect: Virginia Woolf; Colette! As for the writing of our more extreme, compendious, sociological novelists, it is a sort of concavity, which almost teases one to deduce what they themselves are, convexly; rather like the shapes of ancient Pompeians in the awful layers of ashes from Vesuvius.

Katherine Anne is not like that at all. The objectivity of her narrative art, if I may apply to her Coleridge's famous formula (only Shakespeare really filled the bill, he thought), is a matter of sending herself out of herself; of thinking herself into "the thoughts and feelings of beings in circumstances wholly and strangely different" from her own: *hic labor, hoc opus*.

I believe that her vast self-expressive and confidential first-person communication to her friends, freshly inspired or provoked each time, swiftly produced on the typewriter and not rewritten, scarcely reread, has served to purify her mind of a good deal of that pride and willfulness and nar-

cissism and excitability by which the lifework of fiction writers has often been beclouded, enfeebled, inflated, blemished. Of course, her letter writing must have shortened her working days and used up incalculable energy, thus reducing the amount of her production of the more public forms of literature.

It always pleases me to note how little continuousness, impingement, or repetition there is between one of Katherine Anne's stories and another. In the case of most specialists in short fiction, as in that of painters of easel pictures and composers of chamber music, one finds some new order of artistry every few years; and in between, only variants of the same inspiration or the same method, efforts to perfect, or indeed a copying of themselves without much effort. Katherine Anne, when not hitting high spots, really has preferred not to hit anything at all, at least not anything fictitious. She just keeps turning the pages of her mind until she comes to one that is untouched, to which she then applies a new pen, silvery and needle-sharp. Line the stories up: "Flowering Judas," "He," "Noon Wine," "The Cracked Looking Glass," "The Grave"; each advances a separate proposition in morals or psychology, solves an unfamiliar problem of form.

No theme except the given theme, one feels, could develop itself properly or transpire effectively in that particular setting and in those circumstances. And yet she never forces the connection and congruity between the scene and the event. There is a minimum of anthropomorphism in her landscapes and changes of weather. Shapes and inanimate objects in her portrayal of the world are never geometrical or surrealistic or modernistic. Things are what they are; and what people do directly results from what *they* are. Everything is for the portraiture, inner portraiture mainly, and for the philosophy, which is almost entirely unspoken, and for the tale, the tale!

Her latest collection of stories was published in 1944. Recently four admirable short narratives, not portions of *Ship of Fools*, have appeared in magazines; one of them, "St Augustine and the Bullfights," is a masterpiece, in a strange new form, a hybrid of essay and tale, of which I expect her to make further use. Also, occasionally she has produced valuable pieces of expository prose. In every type of short work she is a ready writer, given a green light and a little removal from other people and certain facilities in the way of board and keep.

But never a ready novelist! All that time, a third of a lifetime, her struggle with *Ship of Fools* has been going on. With the everlasting problem of her delicate health and the other difficulties and jeopardies that I have tried to describe with-

out making a melodrama and a sentimentality of her life, certainly she has not worked at the novel uninterruptedly; but she has kept up her dedication of herself to it, only it, and staked her reputation and her self-respect on it. "Even when I was a little child," she once said to me, "I knew that youth was not for me" — a sentence wonderfully expressive of her particular lifelong uncasiness, responsive to her fate up ahead, and great patience from start to finish, knowing or sensing that she was going to grow old at the appointed, self-appointed task.

One cannot evaluate the experience of a literary genius unless and until one has perused all that has resulted from it. Obviously, a great deal of heartbreak and travail have been Katherine Anne's lot. But, let us remind ourselves, no fortunate and facile youthful, or even middle-aged, person could have written *Ship of Fools*. It has required the better part of a lifetime of unshrinking participation in life and unshrinking endeavor, of hardheadedness and heat of heart and almost fanaticism, and now we have the result; and surely it must seem to her, in her weariness and pride, cheap at the price.

SHIP OF FOOLS began with a sea voyage that she herself took in 1931, and specifically, she says, with an account of that sea voyage in a letter to a friend, a fellow writer. Ten years later she began putting it in fiction form, and gradually, perhaps somewhat unintentionally, it ceased to be a reminiscence and a tale and became a true and full-length novel. The ship *Vera* — that is to say, Truth, but with no abstraction other than that, no symbolism — is on a voyage from Veracruz, in Mexico, to Bremerhaven, in Germany, via four intermediate ports of call, a voyage only twenty-six days long in the narrated fact, but in the art of the telling, with reference to many of the passengers, lifelong, in that something of their past and something of their future are included in it all along, by means of great flashbacks and mirrorings of motive and fate, by means of a prophetic understanding of the patterns of their lives still to be lived. About three dozen of the characters are clearly delineated and memorable, some unforgettable: a lot of Germans and a Swede and three Swiss and four Americans, and certain Mexicans and Cubans and Spaniards (plus a vague pitiful collectivity of hundreds of the poorest Spaniards, deportees, in steerage); of every age-group; aristocrats and professional men and artists and various bourgeois and riffraff and merchant mariners (and that shadowy Spanish proletariat) diversely involved in love and lust and mortal illness and

craziness and chauvinism and cruel intolerance and religiosity, actively engaged in brilliant incidents with hallucinating dialogue; all things motivating one another, all things illuminating one another.

Ship of Fools is a phenomenal, rich, and delectable book. Though I had read a good many parts of it in typescript and in serial publication from time to time, its qualities as they appear in book form far exceed my expectations: the specificity; the supreme and constant meaningfulness of everything; the bewitchment of the story as such, or, to be exact, the stories interwoven; and a continual sense of cause and effect, both in the mind and in external circumstances, amounting to suspense but at the same time inspiring confidence in the judgment and truthfulness of the novelist; the main generalizations of psychology and morality as plain and acceptable as the face of a clock, the minute hand seeming to cause the hours, the hour hand the days, and subsequently the weeks and months and years, and, in retrospect and prospect, entire lifetimes. A good many readers are going to regret having been given snatches of this novel in magazines. An analogy in terms of music occurs to me: the themes best suited to large-scale polyphonic compositions do not make the shapeliest sonatas or the most moving songs.

I think that reviewers may be tempted to describe *Ship of Fools* as a grand-hotel novel, making a customary and convenient use of the title of a best seller of some years back: a contrivance of heterogeneous humanity cheek by jowl, a matching and contrasting of little plots, with a measure of general involvement, as it were, by chance, ring around a rosy; all of which one does find in caravansaries and sometimes in great country houses and in hospitals and, indeed, on board ship.

But in Katherine Anne's novel, this is only the superficial aspect and the rough outline. Essentially it is a theme novel, with great themes. Shall I undertake to list them? Femeness and the basic coercive and submissive (not to say sado-masochistic) relations of males and females, middle age, neuroticism, and predestining historic matters — the influential mentality of American expatriates, egocentric but sensitive; the pre-Nazi mentality of otherwise quite ordinary middle-class and lower-middle class Germans, with their wild conceit backed up by fanatic laboriousness and cooperativeness within the group; the cold and sickening ferment of ideas like anti-Semitism. What the twentieth century has had to read in the newspapers is often worse than what Calvin found in the Bible.

It seems to me that she now paints her vision of evil with a more varied palette, although there is less pathos about it than when she was young.

Now no one is entirely blameless — even one of the children on the S.A. *Vera* is hopeless, and the other two are fiends — but on the other hand, she never disregards or belittles anyone. On the whole, I should say that all the qualities in her previous fiction — the grasp of lamentable evil predestination, and the dead seriousness in general, the objectivity, the knack of verisimilitudinous portraiture (often like Frans Hals, sometimes like Goya), the natural-seeming style, the manner always responsive to, adjusted to, the matter, and suspense throughout, well regulated, but with no trickiness — all are still praiseworthy in *Ship of Fools*.

It is a vast portrait gallery, with portraits of all sizes hung here and there on the wall, high and low; and some of the portrayed ones seem to dance down out of their frames, some tumble out, some fight their way out, with fearful vitality. I can think of only one possible reason for anyone's not liking this book; just at the start the characters are almost too strong, one shrinks from them a little. No, you may say, I do not wish to spend another page with this smug glutton, or this hypochondriac drunkard, or this lachrymose widow; no, not another word out of that girl in the green dress! But presently, having read a certain number of pages, you feel a grudging sympathy with one and all, or a rueful empathy, or at least solidarity, as a fellow human.

I told Katherine Anne this one day on the telephone, and she said, "I promised myself solemnly: in this book I will not load the dice. We all do it, even you have done it; and so have I in my day, as you well know. But this time, I resolved, everyone was to have his say. I would not take sides. I was on everyone's side."

At that time I had reached only about page 100, and I replied to her, "Yes, my dear, but it might also be said that you are on no one's side."

This evidently surprised her a bit, but she took it kindly. I wanted to go on and turn it into a great compliment. For, truly, this is one of the magic effects of the art of fiction at its very best, when the reader, knowing nothing in the world about a set of characters except what the writer has written for him, suddenly says to himself, Oh, I understand these poor people better than this literary person seems to; he or she lacks compassion or profundity or sociology or political sense or something. Thus each and every character is given a separate life. The umbilical cord is cut; the matrix cleared away. But Katherine Anne talks as brilliantly on the phone as in person; she interrupted me and distracted me. Anyway, who am I to lecture this woman of genius about her techniques, her spells?

Having delivered the entire final script of *Ship of Fools*, Katherine Anne confessed to her editor

that she had scarcely been able to read it as reading matter; it remained work in progress for her even at that point. "Has it a form, a shape, as a whole?" she wanted to know.

"Yes," he answered, "it is like a great wave."

And so it is. It rises rather slowly and coldly at first, with an effect of distance, of remoteness from the reader's mind, indeed, of smallness of scale. Gradually one is impressed, gradually one is enthralled, then lifted higher and higher and submerged deeper and deeper, almost drowned. The wave breaks with, let us say, the burial at sea, and the procession of whales, fountaining in the distance. But by that time, our responsiveness, intentness, and ravishment are like a wide shelving shore, a flat and curving beach. And for almost two hundred pages after the breaking of the wave, up it comes still, in long breakers or combers, some with subsidiary crests of great brilliance and violence.

Yes, like a wave. Incidentally, I note this peculiarity of Katherine Anne's style: she almost never indulges in figures of speech. The other evening in my family circle I read the first thirty pages aloud, and only one simile caught my eye: little greenish-pale Hans has freckles "like spots of iodine." No one since Stendhal has written so plainly, so glass-clearly, and my author carries about three times as much evidence of the senses as the author of *Le Rouge et le Noir* ever did and is less inclined to infatuation and spite and eccentric argument than he was.

Now, to give a recapitulation and a close to this rambling study of my friend's lifework, let me quote another of her letters, somber once more, but blended with some of her malicious spirit; showing also her great virtue of steadfastness. It was written in Liège, Belgium, where she had been given a Fulbright fellowship to teach at the university. In a letter to her I had vexed her with a weak reference of some sort to my age, and she chose to take it personally and struck back with an expression of some pathos and acerbity.

"When you and others younger than I, by I forget how many years, but a good number, complain of getting old, I think with dismay: What must they be thinking of me?"

"I have had such a struggle to survive," she wrote, "so many illnesses that nearly crippled me when I was young, so many intimations of mortality before my time; I felt more decrepit at twenty-four than I have since; and now I do not have a proper sense of time. It does not chop itself like stove wood into decades convenient for burning. It is a vast drift in which I float, eddying back and forth, spinning round now and then, moving always towards no fixed point; which one day will dissolve and drop me into the abyss."

In any case, she went on to say, she could never trust other people's eyes or judgments in the matter. "When I was sixteen, a woman of middle age, when told *my* age, said 'Ha, she'll never see eighteen again!' And when I was twenty-eight, a man, not at all malicious, guessed my age to be forty. Oddly enough, when I was fifty, another man, who loved me, also thought me forty; and I told him about the other guess, and wondered if I was never to escape from that particular decade."

Why, she asked me, should she worry about her visible years when others were so happy to do that worrying for her? Though she did not blame *me* for my worrisomeness, this sentence struck home.

She then told me her favorite story about age. She was lunching in Hollywood with Charles Brackett, the screenwriter, and two important film directors, and a few tables away sat the then famous child actress, Margaret O'Brien, with her mother, her governess, her director, and someone else. "And the three men at my table looked her over as though she were a pony they were thinking of buying, and one of them said, 'How old is she now?' and another answered, 'Six years old,' and there was a pause, and then Charlie said, 'She looks older than that.' There was a kind of nod-around among them and the moment passed."

The concluding paragraph of this letter is a kind of prose poem:

"It is five o'clock, I am in a dowdy furnished apartment where the keys don't turn, the gas cocks stick, the bathroom gadgets work half way, the neighborhood is *tout-petit bourgeois*, the furnishings are from the Belgian branch of Sears Roebuck, the place is suburban, the wild yellow leaves are flying in a high bitter wind under a smoky sky, and I have come to world's end, and what was my errand here? There is nothing I wish to say to anyone here; does anybody want to listen? But it does look as if here again, with all the unlikeliness, the place and the time had met for me to sit at this table, three and one half feet square, and write something more of my own."

Amen to that, says her perennially grateful reader. She did not, in fact, write much in Liège. The autumn weather in that part of the world and the Fulbright schedule of lectures proved too much, and she had to come home. Not long afterward she settled herself in Connecticut and began to see daylight as to her novel writing.

In that same letter of the dark night of her soul in Belgium, or, to be precise, teatime of her soul in Belgium, she declared that the only disturbing thing about the passage of time, for her, was the fact that she had four books all clearly conceived and partly begun and waiting to be finished. Now, three to go! And now perhaps not many of us will care to bet against her.

AN ATLANTIC "FIRST"



BY MARIO PICCHI

FIREWORKS



Born in Leghorn of an Italian father and a Greek mother, MARIO PICCHI has lived in Rome since 1939. A book of his short stories, ROMA DI GIORNO, was published in Milan in 1960, and he has just completed his first novel.

THE crowd completely fills the little square and stretches part of the way down the streets which radiate off it like the spokes of a wheel. Every face is turned up toward the terrace, where the apparatus stands ready: long rods and short rods arranged in rows and in the forms of crosses and stars, with Catherine wheels, hoops, and cannons.

The clouds are low and are moving fast across the dark sky, so dense that they seem to be made of stone. Beyond the square, beyond the kitchen garden on the other side of the wall, where the damp vegetables are quietly slumbering in their furrows, beyond the trees — shimmering distant forms spattered with bright green drops — and beyond the houses with their yellow window-squares of light, a motionless army of clouds is massed for battle. It seems that at any moment it may advance and crash through the hot, moldering air.

A gentle humming sound rises from the crowd. In the middle of that meadow of heads three cypress trees loom up, and every now and then their tops wave silently. From the Via Appia, not far off, comes the muffled noise of traffic.

Many of the crowd are sitting on the curbstone, under the wall, and a few of the women have brought their own chairs. Every window in the square is open, and from behind the people who are leaning out, the light of the rooms comes to

add its yellowish reflection to the whiter light of the streetlamps.

The children, pursued by their mothers' voices, run between the legs of the grown-ups, and cries of alarm go up as the bus, like an enormous toad, comes huffing and puffing in from the Via Acqui and tries to cross the square. The crowd makes room slowly, and little by little the large bus grunts and wheezes its way through, and the passengers stare back with curiosity as they disappear among the tangle of acacia trees in the Via Etruria.

A dull explosion sends a ripple of movement through the crowd like a pebble dropped in a well: it is the signal to begin. The latecomers hurry in, while the others press forward to better positions. Everyone looks toward the terrace, where a number of black figures can be seen darting amid the motionless apparatus for the fireworks.

More people flood in, the hum of voices grows, and an occasional impatient whistle or catcall is heard. But here goes the Catherine wheel, scattering multicolored sparks as it whirls around, until with a bang a pink streak shoots out and soars into the middle of the sky, where it explodes with a soft flash of violet.

Up on the terrace which crowns the religious institute a number of priests are dashing about among the fireworks, getting in each other's way,

bumping into each other, whispering rapid phrases. But Don Lanterna dominates them all by his authority and efficiency, and he makes imperious gestures at the others to make them go away and leave him alone with his inventions.

No one has authorized him to direct operations. He has taken it upon himself to do the job because he is the technician of the institute: electricity and mechanics are his monopoly.

He has the round face and pink cheeks of a child, and his upper lip is slightly protruding.

His kingdom is the cinema. This is a long, broad, low room, with whitewashed walls and ceiling that make it look like a huge box. At one end is the stage, used chiefly for the annual prizegiving and for performances organized by the top classes; at the other end is a cinema screen. A thin partition divides the stage from Don Lanterna's demesne, which is reached by a gray, creaking wooden staircase, leading from Don Lanterna's room to the cabin where the projectors stand, black and deformed. A tangle of wires writhes all over the place, boxes are heaped with screws, cogwheels, dud light bulbs, and a workbench is piled high with rolls of film. The bedroom is more cluttered. Here, too, are rolls of film and heaps of dusty bobbins, boxes both full and empty, wires festooned everywhere, even over the Pope's portrait. A vast, dismembered radio stands on a table near the door, and colored valves and resistors are scattered on the dampish white cotton bedspread.

It is here that Don Lanterna spends all his free time. The authority in technical matters that he has managed to create for himself, and the numerous powers, also of a technical nature, that have in the course of time become his have given him a certain independence and the ability to shut himself away when he wants to.

Whenever there is talk of celebrations in honor of the Madonna, he smiles and begins jotting down rows of figures. From time to time he gazes for a moment at the cement pillar in front of him, and then turns back to his notebook.

The President stares at him with his green eyes, raising his right eyebrow, as is his habit, and stroking his chin, which is not simply blue but violet with his tough beard. Next to the President sits Testa Quadra, the Prefect of Discipline, who glares at Don Lanterna very severely. His steely gaze runs over the almost childish curve of those rosy cheeks and halts on the lips, compressed in the effort of calculation. It is easy to see that he disapproves but tolerates, not for a quiet life but out of a sort of moral superiority, those little manias of Don Lanterna's; for example, in the Week of the Sacred Heart Don Lanterna had the idea of rigging up a neon-lighted heart with a letter *J* superimposed on it at the top of the church dome.

Yes, and the whole contraption rotated frantically, sending out a silent appeal into the night.

But these two have never agreed, from the very beginning, and Testa Quadra is not alone in being peeved by the bold independence of Don Lanterna. Some of the older priests, in grumbling among themselves, accuse the President of being too tolerant. "It can't go on like this," they say, shaking their heads. Testa Quadra has touched on the matter with the President, but without ever obtaining satisfaction. He and Don Lanterna often pass in the corridors, their black-clad bodies gliding along the walls. Their glances cross like swords, but Don Lanterna's eyes, almost indifferent, are lost in his dreams, while the other's, with the ineradicable memory of the victim, seem to be saying, "Do you remember the little matter of the motorcar?" Not even on that occasion did Testa Quadra get satisfaction from the President.

INSIDE the building chaos reigns: doors are banging, evanescent figures brush against one another in the darkness, lights go on in the most unlikely places. The nuns responsible for the kitchen and the laundry, almost all of them middle-aged women in black, with black aprons and bonnets that cover the sides of their faces, peer out of the courtyard windows in the hope of seeing something. The reflections cast by the Catherine wheel on the church wall inflame their enthusiasm, and after a short consultation among themselves they decide to go down into the courtyard to enjoy the spectacle. Giovanni, the red-haired servant boy, has profited from the confusion and has taken one of the maids into a corner on the very staircase that leads to the kitchen. While he is there, in the darkness broken only by intermittent flashes from the Catherine wheel, murmuring sweet nothings and caressing the smiling girl pressed against the wall, a patter of steps, a rustle of starched petticoats warn him of the danger, like the first wind that stirs before a storm. Before the steps reach him, he pulls the girl into the students' changing room, and there they remain with bated breath behind the door until the awe-inspiring swarm has passed.

In the courtyard, five or six priests are standing in respectful attitudes around the President and the Father Provincial, who has come to Rome especially to see the great manifestations in honor of the Madonna. They are all looking up toward the terrace, where the Catherine wheel is flinging out its last few sparks, but they see scarcely anything because the apparatus has all been arranged on the street side, and the red, yellow, and green reflections on the bellies of the heavy clouds are not enough to satisfy them. The President eagerly

whispers something in the Father Provincial's ear. The Father Provincial nods, and they move off; they, too, are going up onto the terrace.

While they are crossing the courtyard they meet the group of nuns, who are terrified, and make way for them. The President is annoyed by the liberty they have taken, but he dares not say so in front of the Father Provincial. And, anyway, perhaps on such an occasion. . . .

Only the gardener stays behind in the courtyard. He is apprehensive lest a spark should set fire to his vegetables, so he leans against a tree and gazes up into the air, without letting himself be distracted by all the colored lights. Then he rummages in his pocket, picks out the butt end of a cigar, and lights it.

The Father Provincial has told the President not to put on the lights on the staircase for fear of disturbing the spectacle, so they all go up in the dark. The nuns bring up the rear, staying so close that they almost bump into each other. Up and up and up — it seems as though the stairs will never end — while the windows are suddenly colored with bright reflections and rattle noisily at the successive explosions. "It's like a bombardment," says the President, panting for breath.

On the terrace Don Lanterna is alone with his contrivances. He stands upright and perfectly still, his head thrown back, his tonsure barely visible as a spot of gray. And he looks taller, almost a giant, a huge statue dwarfing the parapet, the opposite houses, touching the clouds, through the smoke that swirls around his body. His pose is that of a warrior who fights against everyone, even himself. Though he is not moving, he gives the impression of tirelessness. His back is still turned, but his body seems to stiffen with the challenge, and for another moment or two he is motionless, frozen, paralyzed, a strange mummified animal among his ropes and tackle, a figure in an advertisement, illuminated by lights as cold as neon.

From one corner a group of black figures is observing him, and the grimmest face is that of Testa Quadra. When the President and the Father Provincial emerge from the staircase, followed by the priests and the nuns, who with a timid and ecstatic air immediately go and stand a little way off, the Prefect of Discipline and the others move zealously toward them. Hiding their own none too charitable opinions, with suitably lowered heads they exchange admiring phrases, and then they all turn once more toward Don Lanterna, who does not seem aware of them.

He has shaken off that moment of inactivity, and with titanic gestures and vermilion cheeks he sends a series of rockets soaring up to explode, each a different color, against the clouds that loom heavier and heavier above the terrace of the religious

institute. Then, without so much as drawing breath, he runs toward the parapet as if he intends to throw himself over. Testa Quadra looks on with surprise and delight, but all Don Lanterna does is light a long affair which crackles and begins to send a cascade of dazzling white sparks down toward the street, showing the faces of the crowd gaping up in joyous wonder. Without the slightest hesitation he runs to another part of the terrace to a tall structure which, as soon as he touches it, gives out thousands of blue and white sparks. After a moment of flux and confusion the sparks form themselves into definite shapes, and a thousand voices can be heard below, spelling out letter by letter, until there is a whole word: "Maria." And there is wild applause, and the lights glitter with mounting intensity.

Everyone on the terrace is smiling, and the nuns are beaming and crossing themselves. Only Testa Quadra has a glum expression, seeing his rival triumph, and he thinks back to the motorcar episode. On that occasion too, after a shaky start, Don Lanterna emerged the winner. The car was an old Balilla which the institute had at last been able to buy, for practically nothing, for certain indispensable services. Don Lanterna took it over at once, and for two days no one was allowed to touch it. On the afternoon of the second day, during the siesta, Testa Quadra tried to enter the car, but he had scarcely sat down when Don Lanterna, warned by some mysterious instinct, arrived and turned him out, on the pretext that work had to be done on the car. The Balilla was duly repaired, and Don Lanterna took the opportunity to go off for a whole day, with the excuse that he was checking the clutch. There were those who even said that they had seen him on the Via Appia Antica, driving like a madman. The President, as usual, took no notice of the protests and complaints of Testa Quadra. He simply smiled, as he is smiling now at seeing the naïve enthusiasm of the young priest who, as soon as the last letter of the name "Maria" has faded to a glow, sets fire to other contraptions which explode, soar off, revolve, hiccup, and flood with light, with blood, with grass, with cardinal's purple, with sheep and stars and sunsets, with sighs and cries and tremors, the entire neighborhood, the whole town!

"Don't you think it's a bit too much?" whispers Testa Quadra in the President's ear.

"Maybe, but it's beautiful," replies the President.

A long thread of light streaks up to the clouds, where it explodes, pouring out silver jets; others follow it, and immense flowers bloom in the soft density of the sky — dahlias, chrysanthemums, even lilies, so the people say.

"These weren't on the program," says Testa

Quadra. The President throws him a questioning glance, and then looks toward Don Lanterna. But Don Lanterna has lit his batteries, which continue to bombard heaven and eternity, and has disappeared. But here he is again, red in the face, emerging from the top of the stairs and dragging sacks and boxes behind him. From them he takes out cords, matches, long sticks, and mysterious bundles, which he sets up along the parapet, on the wall, everywhere; he holds a match at the full length of his arm and prepares to light the powder.

"The fire! The fire!" he is heard to mutter.

"He must be stopped!" says Testa Quadra. The President is taken aback and gives a slight nod which Testa Quadra interprets as assent.

The Prefect of Discipline takes Don Lanterna by the arm. Don Lanterna wheels around, looks closely, as if to make sure of recognizing who it is, and shakes him off. At once a red flash, a dazzling light, and a great cloud of smoke leap from the bundles and cords and long sticks. Everyone on the terrace takes a step backward, and the crowd gives out an "Ooooooh!" of wonder. Testa Quadra snaps: "That's enough!" and grabs Don Lanterna's arm once more. But once more he is shaken off, and Don Lanterna, in a blood-colored cloud of smoke, runs to another corner, where a kind of cannon rears its black throat. Testa Quadra follows him fearlessly, the President at his shoulder.

"He's gone mad! He'll set fire to the building!" someone cries.

Grabbed from behind again as he holds a flame to the breach of the cannon, Don Lanterna loses his temper; he seems to be gazing at a spot way off beyond the darkness. Sweating, as red as a demon, and without even turning around, he swings a powerful backhand toward his assailant and hits the President full in the face. The President totters and grabs Testa Quadra's cowl to keep his balance. From the mouth of the cannon erupts a ball of fire that crashes off into the far distance and explodes with a colossal roar. Out of the corner of his eye, Don Lanterna sees the President with his hand to his cheek. He dares not turn around.

Down below, the people wait for a minute or two, watching the last fires die out, and then the square begins to empty as everyone goes off, loud in praise of the spectacle. Mothers begin to call their children, and boys run between the people in knots here and there and in rows stretching right across the road. The streets leading out of the square are black with people, and the cypresses sway freely in the wind. Windows close, and only little chinks of light betray that there is life inside.

Near the railway bridge three very young girls in light clothes walk arm in arm, eating ice cream. Four boys follow them.

"Is it a good ice?" one of the boys asks, and the girls begin to laugh.

"Make sure it doesn't upset you," says another, and the girls laugh again, and look back. Now is the time for the most forward of them to say something. The boys walk in pairs on either side of the girls, still talking about ice cream. The girls listen, pretending not to care, but they glance at the boys out of the corners of their eyes, and each has chosen one for her own.

Translated by John Patrick Greagh.

THE SAME LADY

BY JEANNETTE NICHOLS

- I. I hear April's shudder of gutter lakes,
limbering roots and mud flowing
slick and rich as gravy
in rutted dirt roads, bubbling
along corner lawns walked bare
and seething between the untarred
city slots where the earth leaks
over macadam and cement:
April's ooze and worked-up sweat
making a job of the season.
And I reason that mud
is a sweet old girl's ageless
glands gone wild again for love,
a girl blown lilac-windy and
risen to her sweet numb knees.
- II. Fat old lady Spring again.
No sylphlike girl this
bud waddle, green swaddling
and full-grown winds
warning: "Appreciate." We
return to that old juice
hoping to stay loose, stay
loose. But few of us impervious
to May can stand the stake of roses
in the heart, and not go gay,
go adolescent and roundelay,
roundelay. Voom go the pom pom
buds and grasses, slurp goes the sap;
and the pap of the world lifts up, up
to these old humdrum lips; and fe, fo,
fi, fum, this beanstalk giant
tumbles head over shin into
the sweet obesity of Spring.

THE GRAND JURY

Sword and Shield

BY JUDGE IRVING R. KAUFMAN

As District Judge for the Southern District of New York, JUDGE IRVING R. KAUFMAN presided over several prominent civil and criminal trials, among them the Rosenberg atom-spy case, the Apalachin conspiracy, and the New Rochelle segregation case. Last September, he was elevated to the United States Court of Appeals for the Second Circuit, which includes New York, Connecticut, and Vermont.

NO PERSON shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury." So begins the Fifth Amendment to the federal Constitution, which also protects the individual against compulsory self-incrimination, double jeopardy, and the deprivation of life, liberty, and property without due process of law. Most state constitutions contain similar language, all attesting to the importance placed upon the grand jury by the architects of our government. Yet in recent years the very institution of the grand jury has been under increasingly severe criticism.

There is no lack of provocation for these attacks. In one part of the country, a grand jury hands up a presentment subjecting the private conduct of individuals to scathing attack without an opportunity for retort. In another region, persuasive evidence is apparently ignored by a grand

jury because of the racial overtones of the crime charged. Moreover, the criticism is by no means limited to exaggerated reaction to isolated instances. It goes to the very heart of the institution. Lawyers, scholars, and even judges charge that the grand jury is a useless vestige of another age, when the regime was the main enemy of its own people. It is said that the grand jurors themselves have acquiesced in this judgment by becoming mere rubber stamps for the prosecutors' cases. On the other hand, it is urged that the grand jury is at times guilty of nullifying important legislation because of the local popularity of the criminal or public lethargy to the crime. Other critics point out that the grand jury may occasionally run away on an irresponsible tear, using its tremendous power to muddle the law-enforcement process, not to mention the lives of innocent individuals. Even more basic is the thought that the grand jury is a sport among our legal institutions in that it operates in secret and its members are accountable to no one for their actions. The Sixth Amendment to the federal Constitution assures a "public trial" in criminal cases, yet a grand juror could find himself in contempt of court for divulging the testimony he heard in the grand jury room. Star-chamber proceedings are feared.

All of this criticism has a certain degree of validity. It has led to the abolition of the grand jury in England, the land of its origin, and to the curtailment of the institution in certain of our states. Nevertheless, I believe that the grand jury, with all its acquired flaws, is well worth retaining. Its abolition, even if this could be achieved, could be a serious net loss.

Because the grand jury does its work in secret and because its function is so often misunderstood, it is important that this ancient institution be reviewed in its modern context and that its place in the criminal law be appreciated.

From the time the illegal act is committed, and for a long time after, a criminal case is in the almost untrammelled control of the executive branch of the government. Generally it is the enforcement agency—the local police, the FBI, the Securities and Exchange Commission, or some other investigative agency—which first acts on suspicion of crime.

If at any time the police become satisfied that no crime has been committed, or that further pursuit is impractical, the case aborts.

Because this system is inevitable and rarely abused, few realize the tremendous power it confers upon the police. This becomes apparent enough when the sheriff of a corruptly governed county chooses not to investigate corruption, or when certain ordinances are enforced only against political enemies of a local administration. When

the enforcers are satisfied that they have a criminal case, the matter is turned over to another arm of the executive department, the prosecutor. In the federal system he is the United States Attorney, who operates under the Attorney General of the United States. He may take steps to bring the case to court, but he does not have to. If, in his judgment, the suspect's acts are not in law a crime, or if he believes that it is impossible to secure a verdict of guilty, he, too, has the power to let the matter drop. If he believes that he has a triable criminal case, he will then lay the facts before the grand jury and ask for an indictment.

The federal grand jury, the type with which I am most familiar and to which I will direct most of my attention, is composed of twenty-three persons. For twelve years, I was United States District Judge for the Southern District of New York. In that district, which covers a territory roughly from the lower tip of Manhattan to a point just south of Albany, New York, the grand jurors are selected by public drawing from a jury wheel containing names assembled from the same voter registration lists and other sources which provide trial jurors. The judge presides over this first session and passes upon requests by prospective grand jurors to be excused. Hearteningly, these are few. I have found that business and professional persons are more willing to serve on grand juries than they are to serve on petit, or trial, juries. As a result, the grand juries tend to have a high educational level with concomitant ability to follow complex cases.

The judge then selects a foreman and his deputy. In the case of a federal trial jury in New York City, the first person selected is automatically the foreman; not so with the grand jury. Because the grand jury has much more initiative, and because the grand jury foreman may question witnesses and control the questioning by other grand jurors, the selection of a proper foreman may set the tone for everything that follows. Most judges try to select as a foreman a person with previous grand jury experience or some other background which fits him for this unusual responsibility. The twenty-three men and women will serve for at least one month, and may serve up to eighteen months in an extended investigation.

The judge now charges the grand jurors, instructing them in general terms on their powers and duties. These are extremely broad. It is the grand jury's duty to investigate suspected crimes committed within its territorial jurisdiction. Following the charge, the grand jury retires to hear its first case. From now on the jurors will rely heavily upon the guidance of the prosecutor. Ordinarily the grand jury will investigate only suspected crimes brought to its attention by the

prosecutor, and will pass upon the filing of the indictments which he prepares. Evidence, witnesses, and documents will ordinarily be brought before the grand jury by subpoena prepared by the prosecutor in the name of the grand jury. It is upon this subpoena power, the ability to compel the attendance of witnesses and the production of records, that much of the grand jury's effectiveness depends. This is a power which the prosecutor himself lacks.

The prosecutor will begin by briefing the grand jury on the particular crime involved in the case and the law applicable. In a few minutes the grand jury is ready to hear the first of its witnesses. No witness hears the testimony given by any other witness. In fact, no one is permitted in the grand jury room except the jurors, the prosecutor, the witness being interrogated, and a court reporter. None of these persons may divulge what he has heard.

PRESENTING THE EVIDENCE

Someone familiar with courtroom procedure would find much in the grand jury hearing that seemed strange if he failed to keep in mind that this body is not passing on guilt or innocence but only on whether a minimal case has been made out. Leading questions are permitted. There is only one lawyer in the room, and he, the prosecutor, will present only one side of the case. A suspect is almost never called. In the rare instances when a suspect is granted permission to appear, he must do so without counsel. Moreover, television-trial aficionados would miss their favorite objection: "That question is irrelevant, incompetent and immaterial." So broad is the grand jury's power to question that rarely is a question genuinely irrelevant.

Naturally, this doctrine cannot be attenuated indefinitely. The grand jury may not subpoena clearly irrelevant documents. Neither may it demand evidence that is privileged, such as communications with one's lawyer or religious adviser.

But by far the most important limitation on the grand jury's power to demand answers is imposed by the privilege against self-incrimination, guaranteed by the Fifth Amendment. So complete is this privilege that without special immunity statutes, many important investigations would be entirely frustrated.

Basically, special immunity statutes allow a United States Attorney, with the approval of the Attorney General, to make a choice. If he decides that the story that a particular witness may tell is worth allowing the witness's own crimes to go unpunished, he can make application to the court to compel the witness to answer all questions. But

if he does, that witness can never be prosecuted for the crime under investigation. In the case of state grand juries, immunity statutes are often broad and are frequently invoked. The result is sometimes an "immunity bath," a situation in which the grand jury finds that it has given up the bird in the hand and is still unable to locate the two in the bush. In the federal system, on the other hand, the immunity statutes are limited to particular types of cases — for example, espionage and narcotics.

Generally the grand jury hearings progress rapidly, with the average case consuming less than thirty minutes. The prosecutor lays out the bare bones of his case. The prosecutor, then the foreman and the individual grand jurors may question the witness — usually a federal investigative agent. The grand jurors may also request that the prosecutor call additional witnesses if they are not satisfied as to a doubtful point.

Sometimes the grand jury embarks on a full investigation. No one knows what the outcome will be. For example, a number of years ago one of the country's most famous and conservative drug houses was suddenly thrown into receivership. In a single day its bonds fell from 103 to 57, the stock from $7\frac{1}{2}$ to $1\frac{1}{4}$. The Securities and Exchange Commission ordered an investigation, and for the next eight days, one after another of the federal, state, and local law-enforcement agencies began to investigate this corporation. At first the results were inconclusive. The United States Attorney was not even sure that a crime had been committed, or if so, by whom. The grand jury was impaneled to consider the case. All the facts were presented, and a vast amount of new evidence was unearthed through the use of the grand jury subpoena. This investigation took months to complete. Several hundred witnesses, ninety-one bank accounts, and fifty-seven brokerage accounts were minutely examined before the details of an ingenious multimillion-dollar embezzlement emerged.

It is thus apparent that grand jury investigations are not always narrow. Sometimes state grand juries will broadly investigate a type of suspected illegal activity, such as wiretapping, ticket fixing, or municipal graft, with a view to eventual indictment.

Whether the investigation is long or short, broad or narrow, the prosecutor's job is only to present the evidence. When this has been done, the grand jurors dismiss everyone from the grand jury room and commence their deliberation in secret. Their job is to decide not the guilt or innocence of the suspect but only whether the prosecutor has presented sufficient evidence to permit the case to go on to the next stage, the trial. The

judge has instructed them that they must not indict unless "upon the credible evidence which you have heard, absent an explanation by the defendant, you would be willing to convict. . . ."

Sixteen of the grand jurors constitute a quorum. Unless twelve of them believe that the prosecutor has made out a case, a "no true bill" is voted. If twelve believe an indictment is proper, the grand jury votes a "true bill" and subsequently hands the written charge (indictment) to the judge.

At that moment, the secretly suspected becomes the publicly accused, bound to stand trial, with his liberty, and perhaps his life, turning on the decision of a twelve-man trial jury. From this moment, too, the defendant is surrounded by the myriad safeguards subsumed under the phrase "due process." He need not speak a word in his defense, for the prosecutor carries the burden of proving guilt beyond a reasonable doubt. At trial, rules of evidence will be vigorously applied to exclude hearsay and prejudicial material, and the defendant has a constitutional right to counsel and to present his case. But none of this can change the fact that even if found innocent, he will have been a defendant in a criminal case, a fact that, unfortunately, will not be forgotten by many of the community.

The significance of the handing up of the indictment is reflected in procedural requirements. The document must be handed directly to the judge in open court and in the sight of a quorum of the grand jury. Our bewigged forebears were unwilling to let so important a document out of authorized hands even for a moment. They were concerned lest an enemy of the accused get possession of the indictment and write an additional crime at the bottom of it. In the days when courtrooms were more imposing than they are today, a direct reach between foreman and judge was impossible, and there are preserved in England several long poles with clamps which were used to make sure the passing of the indictment was direct.

WITH a picture of the workings of the modern grand jury in mind, we can now consider some of the criticisms that have been lodged against its functionings.

RUBBER-STAMPING

The grand jury's function of screening the prosecution's cases has been solidly established in this country from earliest times. In 1734, William Cosby, a particularly incompetent royal governor of New York, was stung by the attacks upon him carried in the *New York Weekly Journal*. Cosby

had his handpicked chief justice indicate to the grand jury that John Peter Zenger, the paper's printer, had committed the crime of seditious libel. The grand jury refused to indict, and repeated its refusal when Cosby tried again several months later. The fact that Zenger was later charged in an information and that he won his acquittal through the heroic efforts of his lawyer, Andrew Hamilton, does not change the fact that for the best part of a year the grand jury stood between a thoroughly ruthless executive and an unjustly accused citizen.

There is little doubt that such cases as Zenger's were very much in the minds of the framers of the Fifth Amendment. They probably considered that the grand jury's most important function was its job of screening the prosecutor's cases.

But it is not necessary to go back to Peter Zenger to realize the importance of this function. The power to subject whomsoever the executive wishes to the ordeal of a criminal trial is the power to tyrannize. The grand jury is the people's check on that power. However, I am as much concerned with the possibility of sloppy police work and opportunistic prosecution as I am with the possibility of tyranny. Not every police officer is a J. Edgar Hoover, nor is every prosecutor one who believes it is his function not to obtain a conviction but to see that justice is done. If there were no check on the executive's power to bring citizens to trial, it is quite possible that the litigious tendency, which is unfortunately so prevalent in civil matters, would be imported into the criminal law.

Some power must screen the prosecutor's cases. The real question is, does the grand jury accomplish this effectively?

I believe that it does the job, not perfectly, but probably as well or better than it could be done by any other body or person. Those who read rubber-stamping into the fact that indictments are forthcoming in the great majority of cases presented to the grand jury are misinterpreting the evidence.

First of all, the vast majority of prosecutors are sufficiently conscientious to screen their own cases. They do not ask for an indictment unless they are convinced that the accused is guilty and reasonably sure that a trial jury will eventually convict. They realize that if a weak case does get by the grand jury, it will probably founder at the trial. The rare prosecutor who is too callous to care that a defendant suffers unnecessarily is probably tenderly solicitous of his conviction record. Thus, it is only in the unusual case that the grand jury's screening power comes into play. Furthermore, with the grand jury, as with other institutions, the existence of power is more important

than its exercise. The power to refuse to indict need be used only often enough to demonstrate that it has not atrophied. This power-in-being automatically eliminates cases brought for improper motives and with no hope of success. The fact that the grand jury rarely refuses to indict may be more of a tribute to its success than evidence of a failure.

NULLIFICATION

The question remains why this admittedly important function must be performed by a group of twenty-three citizens. One well-trained man might do the job as well or better; one well-trained man does do the job in England, on the Continent, and, most of the time, in Michigan. Moreover, it is said that an indicting magistrate, or one-man grand jury, would be less likely to nullify important legislation because of local prejudice.

Critics of the present system point out that the ideal grand jury is a machine, a calculator for weighing the facts. All of the evidence is considered, weighed according to the credibility of its source, and then measured against the standard supplied by the judge in his charge. The answer — true bill or no true bill — should follow automatically, they say, dependent only on the facts in the case, not upon the identity or the state of mind of the trier of those facts. These critics say that the employment of ordinary citizens as sifters of the evidence allows the mores of the time and place to permeate the judicial process. To that extent, they say, we dilute the even-handed justice which is our pride.

There are those who would answer this argument by striking at its major premise. They urge that the grand jurors with their common sense soften the sometimes cruel logic of the law. But I do not favor the grand jury because it reaches less logical results than would be reached by an indicting magistrate. After almost a quarter century of working with criminal juries and grand juries, I am convinced that in a difficult case a body of citizens is likely to reach the correct result.

The grand jury is sometimes deprecated as irresponsible, but it is this very "irresponsibility" which caused the institution to be so cherished by the framers of the Bill of Rights. The grand jury is answerable to no one. Its members are not subject to re-election or reappointment by one man. They owe no political debt to anyone, and when their job is done, they disperse. When a grand juror swears that he will present no one from envy, hatred, or malice; nor shall he leave anyone unrepresented from fear, favor, or affection, for reward, gain, or the hope thereof, but shall

present all things truly as they shall come to his knowledge, there is every reason to believe that he will fulfill his oath.

Some months ago the people of New York were justly incensed over a series of hit-and-run accidents. At the height of this indignation, a taxicab struck a small girl. The driver stopped, carried the injured child into his cab, and said he would take her to a hospital. Several hours later, the body of the girl was found abandoned beneath a parked car. A howl of rage arose from public and press. When the driver was apprehended, the newspapers pointed out that he might well be guilty of homicide. Evidence was presented to the grand jury, but a homicide indictment was not sought because there was no evidence of that crime. In fact, the grand jury did not even indict for the two less serious crimes charged, but sent the case to the Court of Special Sessions instead. There the driver was charged by information with the two lesser crimes, to which he pleaded guilty. His sentence was thirty days (which he had already served pending trial) and one year, suspended.

The public accepted the judgment of its own representatives without a murmur. I cannot help wondering whether the reaction would have been the same had a decision not to prosecute for homicide not been accepted by a grand jury, but been made solely by an elected or appointed official. It is likely that such an official would have resisted the great pressures upon him. But it is best to minimize the number of times a man is called upon to choose between his honor and his future.

Finally, a decision to indict or not to indict must be more than just. It must be accepted as just by the public. One object of the criminal law is the achievement of a sense of security on the part of the community. As the hit-and-run case demonstrated, there are few cries of "foul" when unpopular decisions are made by grand jurors, selected at random and beholden to no one. The public has great confidence in this honored institution.

Certainly there are occasional cases where a grand jury is swayed by prejudice and so fails to indict. But I do not think that this is really a criticism of the grand jury as such. It is a flaw in our basic system of entrusting citizens with factual decisions in criminal cases, a system very few of us would change.

THE RUNAWAY GRAND JURY

The importance of the grand jury's role in screening cases stems from the fact that it is generally the first nonexecutive power to review

criminal cases. Here it serves as the people's shield against unfair accusations. However, its unique position may also require that it be a sword against the unjustified refusal of an executive to prosecute. If the executive refuses to initiate criminal proceedings against wrongdoers, the grand jury may. The local district attorney who expects a grand jury tamely to confine itself to handling indictments in a few major cases may suddenly find that his own office is under searching investigation by that same body.

Occasionally we still read of such runaway grand juries. Sometimes they perform a valuable service; sometimes they merely represent twenty-three good citizens momentarily carried away by power. Sometimes the runaways must be restrained. In a fairly recent case in the West, one grand jury got completely out of hand. The federal district judge sitting in the district concluded that the jurors' attacks on privacy had overstepped decent bounds. He decided that justice required the dismissal of the grand jury.

Runaway grand juries are faced with immense procedural difficulties. Modern investigation is a job for professionals, and when the grand jury takes off on its own, it cuts loose from the investigatory agencies which are its eyes and ears. Unless it somehow obtains facts, counsel, and a staff, substantial investigations are likely to be hopeless. Furthermore, its zeal may cause it to cut away from the restraints which bind all responsible investigators.

THE PRESENTMENT

A more serious problem, however, arises when a grand jury is active and vocal but does not indict. We recall that more than two years ago a New York state grand jury began an investigation of television quiz shows. In the course of fifty-nine session days covering a nine-month period, the grand jurors heard two hundred witnesses. It soon became clear to the panel that a shabby trick had been played upon the viewing public. It became equally clear that, aside from possible perjury, no crime had been committed. The grand jury decided that in lieu of an indictment it would hand up a presentment, or a report setting out its findings and its conclusions. It was hoped that the report would become a matter of public record, and public opinion might be expected to mete out its own punishment. Anticipating such a report, counsel representing certain television interests, the obvious subjects of such a report, sought to submit memoranda of law in opposition to its filing. Soon four bar associations, the Citizens Union, the Civil Liberties Union, two grand jury associations, and the district attorney's office

had joined in an argument that vividly delineated the most controversial question involving grand juries. Should these bodies be permitted to inform the public upon immoral and undesirable conduct of private citizens where there is no evidence of the commission of a crime by these citizens?

Before the case could be decided, a congressional committee had laid bare the facts of the television quiz scandals. The public was justifiably incensed and eager for further details on how it had been duped. Nevertheless, a judge presiding in the court where the grand jury had been impaneled eschewed the easy solution. He suppressed the report. More recently, the highest court of New York has reaffirmed that grand juries may not report on misconduct if they do not indict.

Those who oppose presentments of the quiz-show type point out that numerous judges have used the term "foul blow" to describe this kind of presentment. They point out that any report issued by a grand jury is armored with tremendous prestige. For most people, no number of fine legal distinctions between accusation and conviction will change the fact that the person named has been accused by a public body whose primary function is to indict for "infamous" crimes. Since there will be no trial, the victim is deprived of a forum for answering the charges made against him. He does not have even the military officer's alternative of demanding a court-martial. Moreover, the secrecy of the grand jury proceedings is an insurmountable obstacle. The accused man has no way of knowing the real nature of the evidence against him. The result can be devastating.

Several years ago a federal grand jury handed up a report on the alleged Communist affiliation of certain labor leaders. During the hearing, witnesses were questioned as to their views on religion, God, baptism, their particular religious beliefs, the length of adherence to them, atheism, and agnosticism. The labor leaders had invoked the Fifth Amendment when questioned about non-Communist affidavits which they had filed, and the grand jury concluded that the affidavits were thus not "worth the paper they are written on." No names were used, but on the day the report was handed up, the newspapers carried the names of thirteen labor leaders who had testified before that particular grand jury. A federal judge concluded that the names had been deliberately leaked, whether officially or unofficially. It is doubtful whether even the expunging of this report by a judge could have repaired any damage already done.

Reports concerning inefficient, incompetent public officials stand on a somewhat different footing. Some states apparently grant their grand

juries the power to investigate the conduct of public officers and to report on malfeasance falling short of a crime. The New Jersey Supreme Court, for instance, last year upheld such a right. This practice is defended on historical grounds and on the need for good government. It is contended that the public interest requires that officials must accept a certain degree of loss of privacy. Furthermore, many of these reports are careful to criticize a condition but avoid naming names.

On the other side is the argument that this very need for good government should deter us from making public service forbiddingly disagreeable. Officials, too, are entitled to fair play.

A few years ago in Florida, a dispute arose as to the handling of an incompetent's estate. Somehow the matter came to the attention of the grand jury, which proceeded to "investigate" and to report on the action of a circuit judge. The report purported to tell "what happens to helpless old people who seek the protection of Judge —'s Court." The grand jury concluded that the judge should resign. Must an official submit to unanswerable accusations of this kind at the price of his office? The Florida Supreme Court answered this question in a ringing opinion.

For the future guidance of the grand juries of this state, we repeat the admonition . . . that a grand jury will not be permitted to single out persons in civil or official positions to impugn their motives, or . . . hold them to scorn or criticism. . . . Neither will they be permitted to speak of the general qualifications or moral fitness of one to hold an office or position.

While such general attacks on public officials are rightly to be condemned, there remains the question of a report on general conditions which the grand jury encounters in the course of its investigations of indictable crime.

For example, a New York judge once recalled a report which had been handed up to him some years previously. Without vituperation the grand jury had pointed out that a type of school run by the city had outlived its usefulness. As a result of this one report, the taxpayers were saved millions of dollars. Would the general interest have been served if this report had been automatically suppressed because it did not charge a crime? Perhaps there is a compromise. Where the grand jury uncovers a condition which it believes requires remedial legislation, there should be orderly machinery for making a secret report to the appropriate body of the legislature. The report would remain forever sealed, but it could be used by the legislature as a basis for its own investigations. If the legislators then wished to draw the public's attention to the condition, they might.

Proponents of this plan point out that when a

congressional committee makes a charge, the political careers of its members stand surety for some standard of fair play. This is a safeguard entirely absent in the case of the grand jury.

SECRECY

The secrecy surrounding the grand jury proceeding is admittedly designed to aid the jury in carrying out its law-enforcement duties. Witnesses at grand jury hearings are more likely to talk freely if they are assured that their testimony will not be made public. Moreover, it is a practical necessity that the subject of a grand jury investigation remain secret. If a suspect has advance notice that he is under investigation, not only can he seek to put pressure on the grand jury directly or to intimidate witnesses, but he can destroy documentary evidence, and, if palpably guilty, flee. The secrecy of its proceedings also protects the grand jury from public hysteria, either for or against indictment. So much is obvious. But we often lose sight of the fact that the total secrecy of the grand jury room is also a valid protection to the accused. We have seen that the grand jury hears only evidence against the suspected. Some of this evidence is hearsay; all of it is usually damaging; and the accused is not represented by counsel. If an indictment is returned, it is undesirable that this testimony, some of it inadmissible at trial, yet carrying the prestige of the grand jury, be made known to prospective jurors or to the public. Even if the accused proves his innocence at trial, his reputation will thus have suffered additional besmirching.

More important, however, is the position of a person investigated but not indicted. He will never have the opportunity to rebut the charges made against him, if the secrecy has been lifted, in any forum comparable to a courtroom. The witness before the grand jury may have been mistaken or untruthful. This is all the more likely since the grand jury had refused to indict. But revelation of these charges would nevertheless deal a blow to an innocent reputation. Yet the knowledge that a grand jury was investigating may seriously harm the individual's good name. Many would choose not to invest through a stockbroker who had been under a grand jury investigation for allegedly defrauding investors, although

he was not indicted. In balance, it appears that secrecy of the grand jury proceedings is desirable and necessary, both from the standpoint of effective law enforcement and protection of individual reputations.

The grand jury operates as a check upon the executive in an area wherein few checks occur other than the ballot. Occasionally it acts as a prod to unwilling officials. It can save a man from embarrassment and unmerited punishment, and it can, by being lax, inflict both. But, whether used as a sword or a shield, it is an implement of the public, the unofficial, nongovernmental public. It is the citizen's personal entry into government and justice. As such it has its justification, and because it is such, it should be retained.

WHEN OH, WHEN AH

BY MARK VAN DOREN

When water falls and wind blows
And birds fly up, flat to the blast,
And are borne high over
Mansion and meadow
To woods, their cover;
Then quiet at last;

When light lengthens, and grass greens,
And peace, old lover, kisses our world;
But wind of a sudden
Is wild in the trees,
And butterflies madden,
And birds whirl;

When oh, when ah, when what you may say,
Weather by weather, change arrives,
Look and listen
To all that is passing.
Wind is a wizard
With nine wives.

IF I LIVED

THROUGH IT



BY AMES ROWE QUENTIN

AMES ROWE QUENTIN is a pseudonym for a California writer who says: "Once, when I had to write some autobiography, I said I was an unsuccessful tomato farmer with five children, and both these statements are correct, though there were only six tomato plants to begin with, and five of them failed."

WHEN Father knocked, I should have known it wasn't Joe and said "Stop!", but I called out "Come in," and down came the bucket and clipped him on the head. There he stood, streaming blood and water, the letter in his hand soaking wet. Thank God it was the little bucket; the big one would have killed him. I had a string on it to keep it from falling as far as Joe's head, so it would just dump the water, but Father is six inches taller than Joe.

I had the mop there already, so I could get the water up fast and not wreck the ceiling below. The whole thing had been planned so nicely. Well, that's how it goes.

I brought Father a towel and cleaned up the floor, but he didn't say anything, and I didn't either. We just worked in deadly silence. The cut was about an inch long. It would have to be sewed up. He looked at it in my mirror, still not saying anything. He seemed dazed. Then he went slowly downstairs and asked Mother to drive him to the doctor's.

The car had just come back from the body shop, with the big rust-colored spots of undercoat on the side facing the house, so, of course, that was right in front of him as he walked down the path. I watched out the window, feeling sick. I remembered that I hadn't even said I was sorry. I should have. He wouldn't necessarily have known it.

I could hear the motor roar and fade as Mother

tested it before she headed out — an old flier's trick. I tell her engine failure isn't too serious in cars, you don't fall far; but she can't help it. I had the motor sounding pretty for her, though I don't suppose she noticed that except absentmindedly. They drove off, and I went downstairs, looking for something to do, like washing some dishes, to start making up for the accident.

Father had left the letter on the table, as if he meant me to see it or didn't care if I did; and when I saw the name at the bottom of the page, I had to read it. It was from my real father's mother. The spelling wasn't too good. The ink was smeared blue from the water bucket; it was on lined paper, so the lines were smeared too.

"Dear Reverend Page," it began. "You will be surprised to here from me after all these years. I do not even know wether Mrs. Page is still living. I saw in the church paper about your book, and I wrote to them for your address. If I knew Mrs. Page was alive I would write to her. When our house burned down eleven years ago the desk went too and none of us could remember your address. When Mrs. Page wrote both times she did not give the address so we could not answer. Anyhow we were having a lot of trouble then, needing a house but not able to build much because those were bad years for the stock and the apples weren't good either. My husband died about that time. There was a lot to worry over

Drawing by Mary Stevens from ROBERT E. by Florence Musgrave, published by Hastings House, Publishers.

besides the wife and child of a son who had been dead for years, especially as we had never seen them and they were probably better off than we were. But now Henry's boy is sixteen and plenty old enough to take care of himself on the train. We have had four good years so we have a good big house for all of us. I would send him his ticket, if you would let him come to visit us. That is if he is still living. I hope you are all well, and that if Mrs. Page is still living she will write to us. Respectfully yours, Elda Crowe."

As I stood there looking at the letter, I heard Joe come in. I just waited, perfectly still, because he couldn't see me, and when he came around the corner I tackled him so fast he hardly saw me before he hit the floor. When I let him go he looked up at me disgustedly and said, "I wish you wouldn't do things like that. I've got a headache. Help me pick up this mess." His books and papers were all over the rug, and the rug was wound up as if it were in a cement mixer. We got it all straight. He had some cornflakes and milk, and so did I; then I got out the cold roast beef from last night.

"I bet that's for supper," Joe said; but it looked good to him, too, so we both had some. When we had finished, there wasn't a lot left. He wouldn't have done it if it hadn't been for me.

FATHER had a big bandage; the doctor must have had to shave off a lot of hair. I said I was sorry. Father nodded. Then Mother asked which of us had lit into the roast. Joe said we both had. I said I'd started it. Father believed me; he gave me a mean look and walked out of the room. Mother believed me too.

"Well, you'd better not take any at supper, either of you," she said crossly.

I followed Father into the living room. "What about that letter?" I asked. I knew it was the wrong time, but I couldn't stop myself.

He gave me the sermon on Reading Other People's Mail. It took about ten minutes. I guess I was lucky it wasn't church length. Mother says he can't help it, it's an occupational disease.

"You'll have to change your plans and go," he finished off, pointing to the letter. "I've had just about all I can take from you. You don't study, you don't obey, there isn't anything your mother and I can teach you, because you won't learn from us —"

"Now, wait a minute," Mother said from the door, "what's going on here?"

"About his going to the Crowes," Father said.

"He can't go to the Crowes," Mother replied firmly. "He has to take the summer physics. He

ought to, and he wants to, and it's preparation for his future. It's what he's good at."

"Look, I have something to say about this." Father sat down gingerly on the couch and folded his arms across his stomach. I knew his stomach was hurting him again; it hurts him when he argues. He glared at me from under the bandage. "I've helped you bring him up, and I'm fond of him, but I've come to my limit. It was one thing when I was younger and he was just a little boy. You expect idiocy from eight-year-olds. But I'm not young, I'm not well, and when you come down to it, I'm not his kind of person. Noise and horseplay distress me. I've asked him and asked him to control that horrible laugh, but he won't. I've asked him not to pound Joe all the time; he says he's careful, but Joe is only thirteen, and he's not very big. Henry doesn't know his own strength; he's going to break Joe's head next time, not just his arm —"

"That was four years ago, and it was an accident," Joe put in. "You shouldn't bring that up." But I could see that suddenly he was thinking it would be a relief to come home and not get jumped.

Mother looked upset. "That's as may be," she said, "but he can't go to the Crowes'. You don't know about them, or about that back country." Then she clammed up and just stood there. "Well," she started in again, "he's been waiting years to be eligible for that course. He'd be miserable at the Crowes', and he'd miss all the things he likes. All the summer things. His girls. His electrical equipment. The swimming."

"I don't care," Father said grimly. "They're his family. They have a right to see him. And I have a right to a restful summer. When he's in school, there are at least a few hours when he probably won't smash up the car, or take out the motor, or drop a bucket on my head. In summer, it's sixteen hours a day that he's in action. I deserve to be let off for a while. The Crowes can take their turn."

That kind of talk really makes you feel welcome. If I'd been Joe's age, I would have cried. Father had said that kind of thing before, but never so much or so hard. I guess it was the blow on the head. He'd lost control.

Mother hadn't. "I'm sorry," she said, perfectly cool and civil, "but I won't allow it. They're not our kind of people."

"Now, really," Father snapped, "you married one of them."

"In what way aren't they our kind of people?" Joe asked.

Mother didn't answer.

Always I've known I wasn't exactly "our kind" of person myself, but neither is she. She gets along

with Joe and Father and the parish because they're her job and she likes them, and because she'd get along anywhere. But there's a funny streak in her. She stands there when I work on the car, because she doesn't want to get her dress dirty and then have to go all covered with oil to talk to someone at the door about the altar guild; but she watches me as if she were doing it herself. "That plug's still wrong," she'll say. "On the far side." When she drives she's usually slow and careful; but once, way out in the country with just me along, she forgot I was there and cut out like a race driver, cornering without touching the brake and gunning it coming out of the turn. I guess we were averaging eighty for a couple of miles.

"Who taught you to do that, Jimmy Dean?" I asked.

She slowed right down, but she gave me a dirty look. "In a real car I could make Jimmy Dean sit up in his grave," she said. "But don't you try anything like that, you hear me? You'd turn yourself over just the way he did. It takes a lot of fast driving before you can do that."

"You've done a lot of fast driving?" I said. "Like when? Taking us to nursery school?"

"During the war," she said vaguely. "And don't be sassy."

Another time, on the freeway, I said, "Hey, we're going to miss our turn," and she came out of whatever she was thinking about and hit the gas pedal and zigzagged across four fast packed lanes in about a hundred feet and out the exit like a knife through mayonnaise. There was a siren screaming behind us; we would have starved to death if we'd had to pay that fine. She took the tail of a yellow light and weaseled us into a thick mess of trucks and slowpokes. The cop went past at about fifty miles an hour. Then she was all fussed about giving me a bad example.

I felt like telling the kids at school, but they would have thought that was a crazy way for a preacher's wife to act. And I certainly didn't tell Father.

When I asked her to teach me to drive, she said she couldn't stand to hear me or anybody else grinding her gears. So I learned in driver education at school, and of course I could brake and steer and shift gears and see things, but I couldn't believe how slow you had to go in fog, so that's how I got hit and messed up the car. I didn't see the other guy, and he didn't see me.

Father never even goes as fast as a sick cow, and he shifts gears as if he were sawing a steel pipe, but he never hits anything. "Our kind of people" don't; they don't do anything but read and talk and write and telephone and drive like old ladies and fill the bottoms of their transmissions with broken gear teeth and get their cylinders and

pistons all gummy because their poor motors never even get warm. But I notice when Father wants to get somewhere in a hurry, like to have a bleeding cut sewed up, he lets Mother drive. There's some use in people who aren't his kind.

But Mother didn't answer Joe's question about why the Crowes are different from us, and I wasn't about to say they're backwoodsmen who quit school about eighth grade usually; and it was choir time anyhow, so that was the end of the argument for the moment.

I'M NOT a very good musician, but I'm not a bad one, either. It comes from Mother's side — Father can't sing — but it missed Joe. I have the choir, because we had a choir lady who was nervous, but she knew her job; she trained a lot of fifth- and sixth-graders to be so good they were asked to sing out of town sometimes. But then they kept getting bigger and meaner, and she kept getting more nervous, and when they were seventh- and eighth-grade kids, Father had to send me in to keep them in line for her. Kids that age are the worst. She and I handled them together — or, rather, I handled them and she taught them — maybe four months, and then she had to go to the sanatorium. She thought people were after her.

When I walked in, they were all there, very quiet, and when I turned my back on them to sort the music, one of them let out a horrible whinnying laugh that was supposed to be just like mine. Then I spun around and they all whinnied. The church windows rattled.

"OK," I said, "who started that?"

They just snickered. So I made each one of them imitate my laugh, and only one of them got the sound wrong, and none of those kids ever gets a sound wrong except on purpose, so he was the guy, trying not to be recognized. So I made him do it over and over, good and loud, both my way and his wrong way; and then I made them all do it in exact unison. Then I picked up the music and told the one who started it to sing softly so he'd learn the pieces for Sunday but not so I could hear him. You have to protect these kids' voices, especially when they're changing, and I'd been pretty rough on his. I shouldn't be so touchy about that laugh; it does sound pretty bad, but when I forget myself, it just comes out.

They learned the pieces fast, and I turned them loose early. That was one reason the choir lady gave out. She kept them too long, and they got bored and didn't pay attention and got pulling each other's shirttails out, and then, of course, they didn't get the pieces right, so she kept them

longer and they began trying to snatch things out of each other's pockets or do never mind what; and no guy can take that kind of treatment and not do something back. I'd go up and down the line behind them and sort of lean on them, but you really can't keep a bunch of guys in order for a person with no sense at all. Now she's gone, I bang the songs through hard and right, and the choir knows the faster it catches on, the faster it'll get loose. Father thinks I skimp the rehearsals because I want to get out myself.

When I got home, Joe was still asking what was wrong with the Crowes, and I could have hit him. Mother never met them, but she knew about them from my own father. He'd run away when he was about my age, after some kind of fight with my grandfather. They were just poor farmers, simple people. They even took snuff and chewed tobacco. My own father had always been crazy about motors, and especially planes, and he hadn't done anything in school that he didn't have to do to get into junior college, because that was where they did pilot training. In the war he was commissioned more because he was a terrific flier than because of his schooling. My mother is a mathematician and a clergyman's daughter, but she didn't want to do ladylike paper work in the war. So she learned enough at some airport to get into the women's ferry command, and my own father taught her to fly the bombers. Her family made a fuss at the time; but they got married quickly because he knew he'd be going overseas. He was killed over Germany, before I was born.

We lived with my mother's family till she married Father, when I was two. Joe was born when I was three. He always wants to know something bad about me, because I'm bigger than he is, and he gets sick of it. I wouldn't tell him my father's family made applejack and bootlegged it during the Depression because that was the only way they could make money for the groceries they had to buy. Father doesn't know this, and Mother told me privately. She never talked about my own father to Father; she says it's wrong for a widow who remarries to say anything that might make her second husband wonder if she loved the first better, but it's equally wrong to say anything against the first. She hasn't talked very much about him even to me. In his pictures, which she gave me to keep, he doesn't look like me. I'm like her side.

MOTHER came to my room. "Father is dead set that you have to go to the Crowes'. Whenever he sees that bandage in the mirror he gets madder. I can't quite blame him; these practical jokes of yours are unpardonable."

"Oh, boy, you too," I said grimly.

"Well, how would you like to be Father and stand at the church door Sunday morning shaking hands, and have to answer maybe three hundred people asking what the bandage is for, and how you got cut? He can't wear a black cap like a rabbi's to cover it. And if you think ahead a little further, you'll realize that after the bandage comes off, the shaved patch on his head is going to show for weeks. He'll be cross at you every time he sees a mirror. I should think you'd want to get away. After all, the Crowes are your own people."

"*You* are my own people," I said. "Who's going to beat down the choir when I'm gone? Who'll keep the car running?"

"I will," Mother said. She looked sore. "And don't be too sure we're your own people. You're growing up. The day is coming soon when you'll be on your own. And I've had just about enough of you lately myself. You're getting big and mean and rebellious and lazy, you won't study anything but physics, you just chase one girl after another, and I wouldn't be surprised if you pick the ones you've heard are cooperative in cars."

"Now, look here," I said, "that was uncalled for."

"I guess so," she said, and burst into tears. "I'm sorry. I don't know what's what. I'm just caught between. I want you to have fun and I want you to be your own kind of person, only not get hurt, but I want Father to have some peace, and it isn't good for Joe to feel inferior."

"Now, look, Joe doesn't have any reason to feel inferior. When he's my age, he'll probably pound me down, the way I've trained him. And he gets the best grades."

"Try to tell Joe that," Mother said. "Henry, I'm afraid you've got to go. I'm not going to tell Father and Joe that the Crowes used to be bootleggers, just to keep you here. I loved your father, and I'm not going to run his family down. And I guess you can take care of yourself. But the way she wrote, about 'if Mrs. Page is still alive,' and 'if Henry is still alive,' means something. That's the way they think. It's dangerous country. One of your father's brothers was shot out hunting. The lumbermen get drunk Saturday night and fight; sometimes they kill each other. I wouldn't put it past you for a minute to get in those fights. There are bears and mountain lions. The people who live there understand the life, but newcomers always get in trouble. Especially city kids. And the Crowes will be embarrassed by your ways. They'll think you're stuck-up; you'll use words they don't know, you'll butter your bread differently —"

"Oh, great," I said, and sat down. "And I'll miss physics and swimming and all my immoral girls." I gave Mother a bitter look.

"If the shoe fits, put it on," she said. She almost smiled. But then I laughed, and she winced and put her hands over her ears. "That noise you make drives me mad."

IT WAS a fourteen-hour train ride, with a couple of changes. I took the workbook for the physics course along, but it was written to go with demonstrations and rough to follow. I'd forgotten my slide rule, so it took forever to work the problems by hand. I sat staring out at the empty mountain desert. I didn't talk to anybody. I felt too low. Even my mother couldn't stand me. I almost cried. Then I fell asleep. When I woke, it was late at night, and the conductor was shaking me. "This is your stop," he said. The car was empty; it was almost the end of the line.

I got my papers and things together and stumbled out. The train went on. The moon was about to rise, but it hadn't yet. I wondered if I'd have to spend the night there. At last car lights came down a winding steep hill toward me, and they were on a jeep. It bumped across the railroad tracks and stopped suddenly on the incline.

"You Henry Crowe?" a deep voice called out. "Henry Page?"

"Henry Page, usually," I said.

The man sat there; in the dimness I saw an angular, rocky face. "I'm your Uncle Nick. Your father's brother. Can't get out; motor dies. Set your bag in back." I swung it up and climbed in. We shook hands. "Say Henry Crowe while you're up here," he told me, gunning the motor with his foot on the clutch. "Your grandmother would feel bad if you didn't. You're the one with your grandpa's and your dad's name. She doesn't know your stepfather, or why you call yourself Page."

"Just convenience," I said. "And my stepfather has been my father, really."

He didn't answer; in fact, he hardly said a word till we got to the farm. If he had, I couldn't have heard him. That jeep was noisy, even for a jeep. We took off like a rabbit up the winding road. The lights would fade and come up again to show a narrow path through high brush and, later, woods. I had to watch the road ahead for bumps and shift position and hang on just to stay on my seat. He really drove, the way my mother did that time, shaving the corners and the trunks of trees, so that twice I thought we were going to hit one and got ready to jump. But he knew what he was doing. I didn't mind; I drive that way myself when I have the chance.

When we got to the house, he stopped on a grade and threw a log under one wheel. I got out.

In the moonlight I saw that he had scars, claw marks, down one cheek.

The house was dark. He showed me my bed. I could tell that the room was big and that there were four bunks with guys asleep in them. There was a sort of bathroom next to that room — all the fixtures, but just raw-lumber roof and floor and log walls. They had electricity, but it wasn't very good. There was tubing that must have been part of a still stuck in one corner. I washed and sacked in. I can't say I wasn't a bit scared.

A strange bed always gets me up early, and I'd slept on the train. So when I woke up it was dawn. All the guys were still mostly under the covers, but they seemed to be different ages and have different colors of hair.

Outdoors it was mountains and big pine trees. Some kind of little yellow wild lily was all around. Nice air; cold. There were even patches of old icy snow. Nobody in sight, but smoke coming out of a chimney of the big log house.

Partly I wanted to do a good turn, to show Uncle Nick I was a good guy and could do something useful, but mostly I wanted to fix whatever was wrong with that jeep. I figured it could be the battery, but more likely it was in the wiring. Those lights had been running off the generator. I had a few things in my pocket that I always carry there and that I thought might be useful.

So I unlatched the hood and looked inside. Father would have been sick, if he'd understood it. Those lights sure *had* been running off the generator, because there wasn't any battery. And the reason Uncle Nick always parked on hills was that there wasn't any starter. That jeep was a rod, everything heavy gone, souped for the races. Mother would have laughed; anybody who'd do a thing like that to a jeep, and then take it out on a mountain road at night and get away with it, you had to respect, even if he was crazy. I slid underneath to see what else he'd done.

Then I heard footsteps and saw a pair of dirty boots walk up and kick the log block out from under the front wheel. A second later the jeep started rolling. I really doubled up fast. Lucky those things have clearance. It rolled about five feet, so I wasn't underneath anymore, and I got up, and then the guy with the boots leaned on the fender and threw the log under the wheel again and came around to look at me. I was kind of sore.

"Morning, Charlie," he said, grinning, and then his mouth fell open.

"I'm Henry," I said quietly, just looking at him. I was figuring whether to hit him or let it go. He was a big guy, about my age; bigger than me, and he looked tough, but I was too mad to let that bother me. Hitting him just didn't seem the right

way to start getting along with my own father's family.

He threw his hands over his face. "Don't stwike me, pwease don't stwike me, I'm dust a wittle boy!" he squeaked, and let out an awful braying laugh and began to run. I went after him; I tackled him on the path and grabbed him by the belt and we went rolling over and over in the weeds. He was laughing fit to kill. He ended up sitting on my chest, with one of my arms pinned under his knee and my other arm caught under my head as if I were lying in a hammock looking up at the birds. "Had enough?" he asked.

"For now," I said. He let me up. I dusted myself off. "I'll get you later," I promised him.

"Oh, sure," he said, and started for the house.

"But not much later!" I yelled out, and went for him. This time I got a decent grip, and in a minute I had him on his face with his arms behind his back. Then all of a sudden there were about four guys on top of both of us, and a couple of little girls in there too, and by the time I got out from underneath I had dirt inside my clothes and dirt and weeds in my hair, and my hands and nose were bleeding, and it was a wonder I didn't have any broken bones.

There was a white-haired woman, brown like an Indian, standing there looking disgusted. I tried to clean myself up with my handkerchief. "Charlie," she said to me, "you sure had that coming. You should have got worse. You know better than messing around with your uncle's jeep. He's told you ten times. And I thought you knew better than to tangle with young Nick, after the bloody eye you got last week."

"I'm not Charlie," I said. "I'm Henry Crowe. I wasn't messing. I thought there was something wrong I could fix."

She looked at me and then at the guys. There were two of them enough like me to mistake. One was exact, and he was the one who'd got the bloody eye last week. He was holding his stomach, laughing like a hyena.

The woman quit glowering and smiled, and then she looked as if she were beginning to cry. "Well, welcome, Henry," she said, and reached out and shook my hand, dirty as I was. Then she turned me around and led me up to the house. The other guys went off somewhere.

There was a picture on the kitchen wall of my own father in a racing car. Mother had never told me that about him; I guess I was giving her enough trouble without her asking for more. But I might have known it. Another picture showed a boy who could have been me, or Charlie, with three others. They all had banjos. "That was your dad when he was your age. You wouldn't think it was the same person" — she pointed at

the race driver — "men's faces change so much from the way they looked as boys. Do you sing?"

I nodded. She told me about the quartet while she fixed bacon and eggs and pancakes. When the platters were almost full, she sent me to wash up. "But, look out," she whispered. "I think they've put a wire across the door to trip you up. Don't get sore. Just fall over it."

"Thanks," I said uneasily. But I still had one more thing on my mind. I wanted to know whether my father and grandfather had had that fight about racing, and whether that was why my father had left home.

"Oh, maybe," she said. "I kind of forget. It could have been anything. You boys get bigetty, sometimes we have to throw you out for everybody's peace. But you come back later. Nick did. Your father would have." She looked sad. Then she smiled. "Well, it's nice to have *you* here," she said, and poked a stick in the stove. The smoke smelled good. She burned apple prunings mostly, and everything in that kitchen smelled good — the food, and the mountain air coming in the window, and my grandmother too.

"It's nice to be here," I said. I meant that. I felt as if it was going to be the greatest summer of my life. If I lived through it.

There wasn't any wire for me to fall over, though. I started to wash up. I could hear some kind of scratching and squeaking, like rats in the walls. "I can't find a towel, Grandma," I called through the doorway. She came to help me. One of the guys jumped up, but she was ahead of him. I should have seen there was a cupboard with a sign saying "Towels."

The cat that was in there with the clean linen shot out and clawed right up her dress and on over her shoulder. Then a big squawking brown chicken hit her face, and another whizzed past my ear. They landed on the side of the basin, but couldn't get a foothold there, and one fell in my wash water and the other pitched off and lit on a chair. The air was full of feathers. They'd been dosed with some kind of liquor to keep them quiet; mixed with the smell of hens, it was awful. The cat lurched across the floor and threw up.

"Whoever did this, I'll kill him," my grandmother said quietly, clutching her shoulder. The guys just stood there with their mouths open, not saying a word. But I figured it was that Nick; he made the first move to catch the chickens. Or if it wasn't, I still thought he needed attention. If I'd been home, I could have arranged an electric shock when he put on those dirty boots.

Those maniacs knew from my face what I was thinking. One of them snickered, which was too much for the rest of them. It was worse than the choir. You could have been deafened for life.

Laundry Unlimited

by J. A. Maxtone Graham

It took a British colonel to discover that the laundry for five metropolitan hospitals of Boston could be done by one set of machinery at one place and at a great saving to the institutions. The late Colonel A. W. Smith, a graduate of Sandhurst and the author of books and stories published by the ATLANTIC was responsible for this achievement. How he succeeded is described by J. A. MAXTONE GRAHAM, a Scottish writer and farmer, and the son of Jan Struthers.

FOR centuries the whiteness and punctuality of the family's Monday wash were status symbols. Laundry work did not become an organized business until the Gold Rush, when one unsuccessful and disillusioned miner who had noted that women were in short supply in the California of 1849 set up to supply his fellows with one of the services usually performed by members of the opposite sex.

It is surprising that some of the largest users of laundries, the big metropolitan hospitals, should still be operating (even though for six days a week) on a family basis — “family” in the sense that each hospital tends to run its own laundry, which often takes up valuable expansion space within the hospital grounds. Over the world, there are a few groups of hospitals which have got together, usually under government sponsorship, to have the daily wash done in some central building. Now, in Boston, five voluntary hospitals have for the first time joined to get rid of some of the headaches of organizing the matter for themselves.

It might seem a strange transition to make from being a colonel of the British Army, General Staff, to being the organizer of such a project, yet that is precisely what Colonel Bill Smith did. Just before his recent death, I visited him at his office. Colonel Smith, who had been Director of Resources at the Children's Hospital in Boston, had had a feeling that his forty-year-old laundry was not making the best use of the resources available — space, labor, and capital. Furthermore, the old



laundry was due soon to be brought up to date at a cost of half a million dollars. Could this huge and wasteful investment be lessened in any way? He thought it could, and he sounded out his opposite numbers in neighboring hospitals. His principal argument was that if laundry had to be moved mechanically anyway, why not consider moving it several miles instead of a hundred feet or so?

Several of the hospitals that he approached seemed quite satisfied with their existing systems, and when Smith said to one that a cooperative might be able to launder for as little as five cents a pound, he was told that the hospital in question was already doing it for that amount, or even less. “It was a case of faulty accounting,” he explained. “Later, the same hospital had its costs assessed professionally; the true figure was sixteen and a half cents.” The accounting did not take into consideration depreciation of the building, and the cost of steam and electricity.

Some of the hospitals Colonel Smith investigated did not have their own equipment. They

sent their wash to contractors, who charged about \$1.25 a patient a day. One staff member was horrified to discover that some of the laundry was being subcontracted as far away as Portland, Maine, a distance of more than a hundred miles. When this fact came to light, it helped to explain why clean laundry was occasionally delivered late.

COLONEL SMITH spent the better part of two years examining the possibilities of a cooperative scheme with the help of laundry and business consultants; he formally reported progress in his investigations every six months or so to the dozen hospitals that were interested; and in the end the Children's, the Massachusetts General, the Massachusetts Eye and Ear, the Massachusetts Memorial, and the Peter Bent Brigham hospitals came firmly into the scheme. The Hospital Laundry Association, Inc., now washes and irons for 1700 hospital beds, or about one in seven of those hospital beds within a twenty-mile radius of Boston.

Today, if you visit the association's building at 175 Ipswich Street, Boston, you may see a five-ton truck, delivering from any one of these hospitals, backing up to the scales on which the wash is weighed. Laundry in this quantity is paid for by the pound, except for articles, like coats, which need individual handling. The volume handled is staggering — nearly four tons an hour; and even with the carefully planned flow system worked out by a Chicago handling specialist, laundry has to be moved about a dozen times before it goes out clean. The average load is eighteen to twenty pounds a patient a day; a pair of sheets weighs seven pounds, to begin with, and then there are pajamas, towels, overalls, and uniforms for nurses, doctors, cleaners, cooks, and so on.

After weighing, the bags are tipped out on a slow-moving conveyer for sorting into four categories: large flat (sheets), small flat (towels, pillowcases), rough dry (pajamas and other things which are returned dried but not ironed), and coats and similar garments which have to be handled by the piece. This appears to be a tedious and soul-destroying job, enlivened only by the strange objects which turn up: teddy bears, bedpans, pillows, rubber rings, hot-water bottles, and such troublemakers as nylons, razor blades, lipsticks, and eyebrow pencils, not to mention a thousand dollars' worth of surgical instruments which are mistakenly bundled up for laundering each week. James J. Mahoney, the laundry's general manager, pointed out one advantage of cooperation over contracting: "The hospital will get all its stainless steel back again; the other way, everyone in Boston

would soon be owning a do-it-yourself appendectomy set."

Some laundry is not safe to be sorted — sheets from the operating theater, for instance, and any clothes worn by those who have an infectious disease. These are delivered in special red-striped bags and tipped straight into a special washwheel. The rest of the sorting takes place upstairs, to allow gravity loading into the washwheel; each wheel holds twelve hundred pounds of washing at a time, and the wash cycle takes a little over half an hour. Modern laundry machinery has reached such a degree of efficiency that the water from the last rinse has been tested and found to be purer than the drinking water of Boston. There is one commercial laundry owner who, when showing visitors around his plant, will drink a sample of this rinse, saying, "May the Lord strike me down if I am wrong." He has not keeled over yet.

Absolute sterilization is particularly important in a hospital laundry, the biggest danger being "the golden villain," or *Staphylococcus aureus*; while the heat of water at 327° F will usually kill most organisms, two ounces of a "staph inhibitor" are added for each hundred pounds of wash, just to be on the safe side.

Water is used to extract water; wash from the washwheel is still too wet to be ironed, so it is transferred to a rubber diaphragm, the outside of which is subjected to high hydraulic pressure. The amorphous lump which comes out is two hundred pounds of solid linen and cotton, not more than two feet thick or high, compressed into weird blue-and-white contours that could not fail to fascinate any modern painter or sculptor. It would be virtually impossible to disentangle this mass by hand, so it has to be treated by a "reconditioner" — a tumbler-type apparatus — before it is ironed.

The modern flatwork ironer is a ten-foot-wide rotary affair with a built-in automatic folder; you need just two operators to feed it and one to stack the nine hundred sheets that the machine handles in an hour. The laundry's smallest flatwork ironer measures 110 inches.

After it is ironed, the linen is ready to go back to the hospitals; it leaves by a ramp that is completely separate from the one on which the soiled laundry comes in, and the trucks are steam-cleaned before loading. Many of the old hospital laundries were so cramped for space that clean and dirty clothes stood cheek by jowl in the same room — a possible means of reinfection.

Many people on the staffs of the old laundries transferred to the new one. Laundry work has always been one of the more poorly paid professions, and in some of the older buildings the working conditions must have been bad. Certainly

there is a big contrast between the dingy, bare brick walls of the disused Children's Hospital laundry and the light and airy surroundings on Ipswich Street. The work is still monotonous and requires unskilled labor, except in the press line; yet in many cases modern machinery and planning have enabled some of the hundred and eleven workers to sit instead of stand, to wheel instead of carry, to use less muscle power, and thus to be less tired at the end of the day. As with most manual jobs, there is a relatively high labor turnover, but it is not as high as it used to be. Many applicants for jobs have had no experience in laundries; one who applied recently claimed he was an expert "engineer in charge of vertical ascension." Within a day or two, he was working in the laundry as happily as if he had never operated an elevator.

How much did it cost to set up this kind of organization? Laundry machinery is expensive, and it alone cost \$750,000. By the time the building had been bought and converted, the total commitment was around \$2,000,000. The participating hospitals decided to use some of their endowment funds to invest in the project; they will get about 6 percent on their money, compared with the $4\frac{1}{2}$ percent which they might expect from trustee stocks. The association was to be a non-profit-making concern; this would give certain tax advantages. But there was still a deficiency of more than a million dollars, and Colonel Smith approached the New England Mutual Life Insurance Company for a loan. At first the request was treated with caution. "A laundry? We've never lent money for that before."

Patience, the colonel pointed out what a safe investment it would be. What could be surer than a business with a steady and captive market, which had no seasonal fluctuations in trade (except in August, when people tend not to be ill for fear of spoiling their vacations), where the work was repetitive and the product "consumed" within a day or two of completion, where there were no changes in requirements of style, where there was no speculative risk, where the customers were prepared to sign a ten-year service contract and would undoubtedly be prompt payers of bills? The arguments carried weight, and the loan was made, to the tune of \$1,150,000.

Apart from the small increase in investment income, what will be the advantages to the hospitals? There will be, it is true, a small saving in laundering costs, but this is not going to bring about a dramatic lessening of hospital charges; laundry accounts for only $2\frac{1}{2}$ percent of the total expenses of an illness, and the expected drop in costs from seven to five cents a pound might save a patient thirty-five to forty cents a day.

The hospitals will gain most in unfinancial ways: service is certainly more reliable than it was; the latest machinery, techniques, and layout make reinfection of clean laundry less likely; space formerly taken up by laundry buildings becomes available for more important hospital use; and administrative staffs no longer have to cope with this somewhat specialized problem. If Colonel Smith gets his way, the association will take over the ownership of the linen, hiring it out to the hospitals as it is needed and doing the mending, which is still carried out in the hospitals (where there is a tendency for a torn sheet to remain undiscovered for some time. The nurse opens it in the ward, finds it torn, puts it out with the dirty sheets, whence it goes to the laundry and comes back, still unrepaired, to the ward. Masculine readers of this article may have observed, as the writer has, the similar and tiresome cycle which happens at home, particularly with shirts and shirt buttons). Furthermore, laundry specialists will be able to give advice on the question of how long to rest linen between use. Immediate reuse shortens the working life of a sheet; so does excessive storage.

The Hospital Laundry Association has been working only since last October. There are snags, as one might expect, to be straightened out, particularly in the handling and identification of small individual bundles of the doctors' own clothes; but as the volume handled grows toward the target of nine thousand tons a year, costs will come down to a level below that of any hospital laundry in the country.

As I was about to leave the colonel's office, one of the staff came in with a batch of papers. "Here," she said, "are the latest figures. We've done 180,000 pounds this week."

"Fine," he said. "What about costs?"

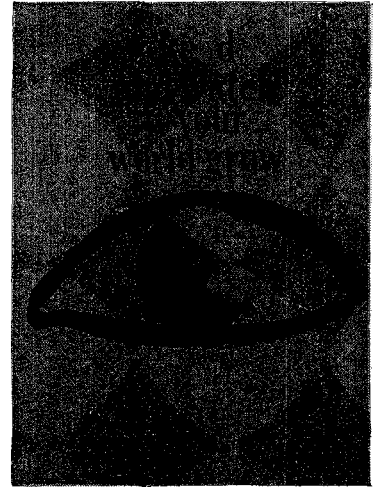
"It was eight and a quarter cents a pound last month, and now it's just under seven and a half. I guess we'll be down below seven cents by the end of the month. Maybe we should have a sweepstakes on it."

Did Colonel Smith anticipate any further expansion? Yes, there would be room to take on an extra 20 percent of work with the existing machinery by putting on overtime or an extra shift. The association would welcome one or two new members. Several other groups of hospitals have inquired about the possibility of copying Colonel Smith's scheme elsewhere.

As I left his office, I remarked on the red and black sign behind the colonel's desk, and I asked if the Chinese characters on it meant anything.

"Oh, that?" He smiled. "Of course it means something. 'No tickie, no shirtee.'"

Author, editor, and historian, LOUIS B. WRIGHT has been director of the Folger Shakespeare Library in Washington since 1948. Previous to that time, he spent seventeen years at the Henry E. Huntington Library and Art Gallery in San Marino, California, first as visiting scholar and then as research professor. From his experience he has drawn a portrait of the founders of these two great cultural institutions.



HUNTINGTON and FOLGER

Book Collectors With a Purpose

BY LOUIS B. WRIGHT

IN THE 1850s, in the state of New York, were born two boys destined to become great captains of industry, men of wealth and power. The second half of the nineteenth century was an era of opportunity for moneymaking; what made these two children different was that they not only became millionaires but they utilized their millions to found two famous libraries devoted to the advancement of learning. They were Henry Edwards Huntington, born at Oneonta, New York, in 1850, and Henry Clay Folger, born in New York City in 1857.

In later life Huntington and Folger came to know each other through the books each was buying. Though they never became fast friends, each developed a healthy respect for the other's zeal as a bibliophile. Occasionally their interests clashed in the book market, but they engaged in no spectacular battles over books. Folger was too careful and shrewd to tackle a plunger like Huntington head on in the auction room.

In the manner of the rugged individualists of the period, neither Huntington nor Folger revealed their plans to endow research institutions until they were approaching the ends of their lives. It is possible that their silence resulted from indecision. Huntington was the first to formulate and announce his plan for a public institution. The Huntington Library and Art Gallery in San Marino, California, was established by a deed of

trust dated in 1919, and it opened as a public research institution in 1927. The cornerstone of the Folger Library in Washington, D. C., was laid in 1930, and it opened its doors to students in 1932. Both of these foundations represented something new in library history and something peculiar to the United States — the concept of a library as an active research institution instead of a passive repository of books and manuscripts.

In the early 1900s, when Henry E. Huntington was buying the books which a well-to-do man of that day thought he ought to have in his house — handsomely bound sets of standard authors — he probably never dreamed that book collecting would one day become his preoccupation. In 1903 he began the development of a ranch near Los Angeles, in a suburb named San Marino, after the tiny Italian republic, and there he built his home, and later his library. If Huntington displayed any collecting instincts at this time, they ran to cacti. To this day the cactus garden in San Marino is a significant if bizarre illustration of Huntington's determination to have the best of whatever he went after. The only books bought in this early period which found an important place in his later library were a few private-press books and a complete set of the publications of the Kelmescott Press.

During the next few years, Huntington was preoccupied with business enterprises, but he did buy

a few handsome bindings and a few rarities which excited comment from his friends. In the Henry Poor sales of 1908 and 1909, he grew a little bolder and bought, through agents, more than 1600 lots scattered over a variety of fields. After another sale he found himself the possessor of some French fiction and erotica which so horrified him that he got rid of it. As yet his only philosophy of collecting was negative. He knew some things that he did not want — French fiction and erotica, for example — but he had not decided on any particular objective.

HUNTINGTON's initiative as a great collector began with his retirement from business in 1910. This second career, in which he put together whole libraries as he had consolidated railways and real estate holdings, is almost incredible, for no previous connoisseur of books had ever brought together a collection of such importance in so short a time. A man of restless energy and great wealth, he simply shifted gears from business to collecting and applied the same methods to his new avocation.

His entry into the book market coincided with the sale of several of the finest collections in the world. Within fifteen years Huntington had an opportunity such as had never occurred before, nor ever would again, to buy great libraries intact and to fuse them into his own collection. His first notable purchase was a magnificent collection of early Americana and Elizabethan literature belonging to E. Dwight Church, which he bought in 1911 for something over a million dollars. That deal whetted his appetite, and from then until his death in 1927 he was a plunger in the book market. Prices soared, dealers grew prosperous, and Huntington paid what it took to obtain the books he wanted. At his death the book market naturally suffered a severe slump.

No one knows with certainty when Huntington first began thinking of devoting his fortune to the founding of a cultural institution, but around 1919 he came under the spell of an imaginative and brilliant scientist, scholar, and humanist, George Ellery Hale, then director of the Mount Wilson Observatory in Pasadena. Hale convinced him that desultory book collecting would never be significant, that scarcity, beauty, and costliness were not adequate criteria for book buying, that a collection of the rarest and finest books in the world must have a purpose. Furthermore, Hale, himself an ardent admirer of the British tradition, pointed out the importance to Americans of a library where they could study their own distant backgrounds. This idea appealed strongly to

Huntington, who began to center his buying on Anglo-American history and literature. Hale succeeded almost too well, for Huntington concentrated so exclusively on books in the English language that he would often sell off books in foreign languages acquired in en bloc purchases, books which he should have retained. For example, in one purchase he obtained a fine lot of plays adapted by David Garrick and others from the French, but the French originals in the same lot he was willing to let go.

Another idea of Hale's had important repercussions: a static repository of books, he argued, would lapse into a dusty mausoleum, neglected and forgotten, unless provisions were made to keep it alive and used. A detailed plan drafted by Hale to create a faculty of scholars who would form a permanent research staff and presumably have a hand in shaping the future policies of the institution appealed so strongly to Huntington that he provided an endowment sufficient to maintain such a faculty, in addition, of course, to the regular library staff.

In 1927 Max Farrand, previously a professor of history at Yale, accepted the post of director of research and began recruiting a permanent staff of scholars. The library made provision for the appointment of temporary research fellows and visiting scholars; it established a journal of research and adopted a plan for the publication of scholarly books originating in research undertaken at the Huntington Library. Since 1927 hundreds of scholars from all parts of the world have come to San Marino; the library has published scores of significant books and an untold number of learned essays; and the prestige of its research program has caused other bibliophiles and library administrators to follow its example.

But we have outrun our story of Huntington as a collector. Even before his ideas had been centered by Hale in a library dedicated to the interpretation of the Anglo-American background, Huntington was buying libraries which contained significant raw material for his potential research institution. He not only had the immense advantage of the sales of rich American collections like the Church, Hoe, Chew, and Halsey libraries, but he also profited from the disposal of some of the great English libraries when families were forced to sell liquid assets to pay increased death duties during and after World War I.

The most remarkable of the English libraries was that from Bridgewater House, a library begun by Sir Thomas Egerton, Queen Elizabeth's Lord Keeper of the Great Seal, and augmented for three centuries by his descendants, the Earls of Bridgewater, and other Egertons, notably the first Earl of Ellesmere. The earliest portion of this library

contained copies of books and manuscripts presented to Sir Thomas Egerton, a generous patron of writers, by hopeful authors of the Elizabethan period, including Ben Jonson, George Chapman, John Marston, Captain John Smith, and scores of others. Because the Egertons had for three centuries played an important role in England's history, their archives held many documents of first importance. Here were reports on the state of the British Navy in the reign of Charles I, papers concerning the formation of the Hudson's Bay Company, diplomatic correspondence over long periods, and countless letters of importance. I think the most noteworthy single unit in the Egerton papers was the collection made by John Larpent, deputy to the Lord Chamberlain from 1778 to 1824, of all the plays submitted for license during his tenure and for the preceding forty years. These plays, added to more than 7500 plays obtained from the Duke of Devonshire, gave the Huntington Library a text of 90 percent of the drama performed on the English stage from the period of the earliest religious drama to 1824.

Other great English collections included the Americana from Britwell Court; the Battle Abbey manuscripts, an enormous collection of the muniments of the abbey founded by William the Conqueror to commemorate his victory at the Battle of Hastings; the Stowe Manuscripts, containing the papers of the Temple, Grenville, Brydges, and other families, extending over more than two centuries; and the Hastings-Huntingdon Papers, consisting of over 40,000 documents from the muniments of various Earls of Pembroke, Earls of Huntingdon, Earls of Loudon, and others. In 1917 the *New York Times* estimated that for the previous six years Huntington had been spending a million dollars a year on books. No accurate report has ever been made of the total he expended, but the figure would run into many, many millions of dollars.

Huntington had a sixth sense about the intrinsic worth of books which he might never read himself; and he stuck to his plan of building an Anglo-American research institution. Buying whole libraries en bloc, he naturally acquired many duplicates, which he sold off to increase his capital for fresh purchases. One series of fifteen auctions, beginning in 1916, netted him more than half a million dollars. A California friend of Huntington's once observed him in a New York auction room avidly bidding. Since Huntington was known normally to buy through an agent, this friend approached him during an intermission and remarked on the unusual event. "Sh-sh-sh, I'm not buying, I'm selling," Huntington replied. He was busy running up the price of some of his duplicates.

By quickly translating duplicates into ready cash — sometimes at almost enough to amortize the price he had paid for a library — Huntington managed to have enough ready capital to outbid most of his competitors. So vast were his purchases that when the library published, in 1931, its first *Bulletin*, the mere enumeration of the principal collections, with a thumbnail description of each, required seventy-one pages.

The pictures which Huntington bought also represented his interest in the British tradition. Although in his late years he was persuaded by Joseph Duveen to buy two million dollars' worth of miscellaneous art as a memorial to his second wife, Arabella D. Huntington, his own preference was for portraits by Reynolds, Gainsborough, Lawrence, and Romney, portraits of satin-coated Englishmen and their ladies, who represented to Huntington the stability and sterling virtues of a nation he admired. In his eyes, these poised men and women were the essence of that solid conservatism in which he believed.

In the course of the years the Huntington Library has become a mecca for academic pilgrims. In the midst of a 207-acre ranch, Huntington established a scholar's paradise, with gardens, lawns, and winding walks under the live-oak trees, a baronial estate which at times has troubled the administrators because of the cost of upkeep. But it has given pleasure to a growing number of readers privileged to study in unaccustomed comfort. The general public, and a multitude of tourists, are admitted to the grounds, the art gallery, and the exhibition rooms of the library proper. But to a few thousand students and scholars throughout the world, this is one of the great research libraries of the world. By Huntington's will, it was given to the nation, to be governed by a self-perpetuating board of five trustees.

IN CONTRAST to Huntington, Henry Clay Folger was at heart a bookman and scholar whose fate consigned him to business enterprises. His interest in books did not represent an avocation taken up after retirement; it developed early and stayed with him throughout his life. Indeed, his literary taste and his dedication to book collecting are evidence of the influence of the liberal arts education which he received at Amherst College, from which he graduated in 1879. In college he won prizes for essays on Dickens and Tennyson and was profoundly impressed by Ralph Waldo Emerson, one of whose last lectures he heard. He married a Vassar graduate, Emily C. Jordan, who had written her master's thesis on Shakespeare and who shared his enthusiasm for English literature.

After leaving Amherst, Folger studied law at Columbia University and went to work for the Standard Oil companies, eventually rising to the presidency of the Standard Oil Company of New York. When he went home at night, it was not to think about the organization of oil companies but to pore over book catalogues. Long before he was financially independent he had become a collector of Shakespeareana, and throughout his life book buying was his one extravagance. Yachts, motorcars, and fine houses had no appeal for him. Not until late in life did he buy a home of his own, and then it was a very modest one.

He and Mrs. Folger read catalogues, ordered books, and recorded them briefly when they arrived. Then they sent the books on to safe-deposit storage because they had no proper place for them. Someday he would build a library for his treasures, but he told nobody of his plans and gained the reputation of being a book miser. Scholars who tried to see his books and were refused because they were "not available" fulminated against Folger as an enemy of the people, never dreaming that he was planning a library for their particular delight. Actually, the books were as inaccessible to their owner as they were to scholars, and it is a tragic irony that Folger, who knew books at first-hand better than any of the other great collectors, never lived to see his library completed and his books in place, for he died two weeks after the laying of the cornerstone of his library building in Washington.

Folger's primary interest was in Shakespeare, but he bought widely in the history of Shakespeare's age and in the histories of the preceding and following ages. In fact, he laid the foundation for an effective library in the history of British civilization for the two centuries from 1500 to 1700, and he marked the course of development which the library has followed ever since. But his personal predilection for Shakespeare gave rise to many legends. For years a story circulated that Folger would pay five dollars for any book about Shakespeare. Booksellers throughout the world, knowing that he provided a steady market for Shakespeareana, searched for books he would take. Like many collectors, he was a victim of his own zeal and often bought things merely for their sentimental value: curios made from a mulberry tree alleged to have been planted by Shakespeare, figurines of Shakespearean characters, an attic full of indifferent pictures of Shakespearean actors, a handful of splinters from a broken pew in Trinity Church, Stratford, even a corset of doubtful lineage said to have been Queen Elizabeth's. One huge canvas depicting a buxom Imogen, known familiarly to the Folger Library staff as "Babe," Folger bought from a Philadelphia dealer for

\$1000. A few years ago the director of the Folger Library asked the same dealer if he would like to have the picture back in exchange for books. "Oh, no," he hastened to reply, "an opportunity like that comes only once in a lifetime."

MUCH was said about Folger's effort to corner the market in Shakespeare's First Folios. Certainly he tried to buy every First Folio that came on the market, and out of a total of two hundred thirty-eight known copies he acquired seventy-nine. It was his belief that the collation of a large number of First Folios would show the nature of the corrections made at the press and help to establish the text which Shakespeare's own colleagues considered correct. Though he might rationalize his acquisition of seventy-nine First Folios in this fashion, only the obsession of a collector's zeal accounts for his purchase of fifty-eight copies of the Second Folio of 1632, twenty-four of the Third Folio of 1663-1664, and thirty-six of the Fourth Folio of 1685.

Dogged persistence and infinite patience characterized Folger's labors as a collector. He stalked First Folios as a deer hunter trails an elusive buck. The First Folio which probably caused him the greatest anxiety, until he finally captured it, was the Vincent-Jaggard copy, a volume presented by its printer, William Jaggard, to Augustine Vincent, an official in the College of Heralds. Folger trailed this copy for four years, until it was finally his. Though he might wait for years, he never gave up his relentless hunt for the books he wanted. When quick action was required, he was on hand with cash. In 1904 a copy of the unique quarto of *Titus Andronicus*, published in 1594, turned up in the library of a post-office clerk in Sweden. When Folger heard of the discovery, he cabled an agent in London to proceed to Sweden with whatever was required to buy the book. He got it.

Folger had his agents bidding for him at auctions and working quietly for him abroad to procure the items which he prized. He was a careful man with his money, but when he wanted a book, the price did not stand in his way. Occasionally he exhausted his cash, and the treasurer of the Standard Oil Company of New York had to make him an advance. The prices which Folger paid for his seventy-nine First Folios show an enormous range, from \$220 for the cheapest to \$52,000 for the most expensive. Not long ago an Oxford bookseller told the director of the Folger Library a story about his own purchase of some Shakespearean promptbooks of the late seventeenth century for £7 10s. He offered them to

Folger for £1500 and finally accepted a counter-offer of £1250.

Folger wanted his library to be used. Because of the vast collections of the Library of Congress, Washington inevitably would be a research center, and he decided to establish his own institution next door to the national library. The cornerstone was laid in May, 1930. Two weeks later the founder was dead. In a few days the trustees of Amherst College learned from the newspapers that the books, the library building then being erected, and the bulk of Folger's fortune had been left in trust to their administration. This was the first intimation they had of Folger's intentions. As compensation for the trustees' services, a proportion of the income from the endowment would go to Amherst.

No wiser provision could have been made; the Amherst trustees at once assumed direction and have taken a profound interest in the Folger Library ever since. Under their management the productive endowment has increased. Now the Folger Library has an adequate income for growth and development. In 1938 the trustees authorized the purchase of the greatest collection of English books printed before 1640 still remaining in private hands, the library brought together by Sir Leicester Harmsworth. Harmsworth was a newspaper publisher, and his books illustrated all aspects of sixteenth- and seventeenth-century life. His library more than trebled the size of the original collection and transformed the Folger from a library centered upon a single author to a library of broad historical interest, possessing the largest number of English books printed before 1640 in the Western hemisphere — indeed, the largest number in any library except the British Museum.

Since Folger was interested in Shakespeare's influence, he bought extensively of theatrical materials from later periods. The library has one of the best collections of Restoration and eighteenth-century drama, and books and documents about the theater, to be found in this country. Recently, the Folger Library has been buying heavily in the later seventeenth century, its goal being to possess in some form every significant book in the Tudor and Stuart periods which any scholar is likely to need. Since 1948 it has added nearly 65,000 titles to its collections. More than half of these titles are rare books printed before 1715. It is the aim of the library to provide the apparatus and materials for the study of any aspect of the history of British civilization in the two critical centuries when the modern world was taking shape. Ease of access to rare books and reference works allows scholars to work with maximum effectiveness and with the least frustration. A scholar from Great Britain observed that he could

accomplish as much in three months at the Folger as he could anywhere else in a year.

To promote a better understanding of the civilization of the sixteenth and seventeenth centuries, the Folger now awards each year from thirty to forty fellowships, to enable scholars from the western hemisphere, Europe, Africa, and Asia to come to Washington. The Folger is a cosmopolitan place where men and women of many different points of view meet informally at luncheon and tea and more formally at regular seminars to exchange ideas. Their projects are varied. In addition to the research materials in his notes, an Indian scholar picked up information that he used in making a blueprint for a new English department in his university in central India. A scholar from Sierra Leone gathered material for a study of African characters in Elizabethan drama, and in his spare time wrote a pageant to celebrate the freedom of his country. A Scottish professor of history came to investigate the way the seventeenth century interpreted traditional law for political purposes. A Polish professor has been making a synthesis of Poland's contributions to the Renaissance. A Belgian scholar has been studying sixteenth-century printing with special emphasis on Flemish publications. With groups like these, conversation at the Folger can be learned or gay — and multilingual.

In its search for old books and manuscripts that throw light on the Tudor and Stuart periods, the Folger keeps one or more of its staff members in Europe, with headquarters in London. This search is the principal responsibility of Eleanor Pitcher, assistant to the director of the Folger, who is constantly on the prowl through the bookshops of Great Britain and the Continent.

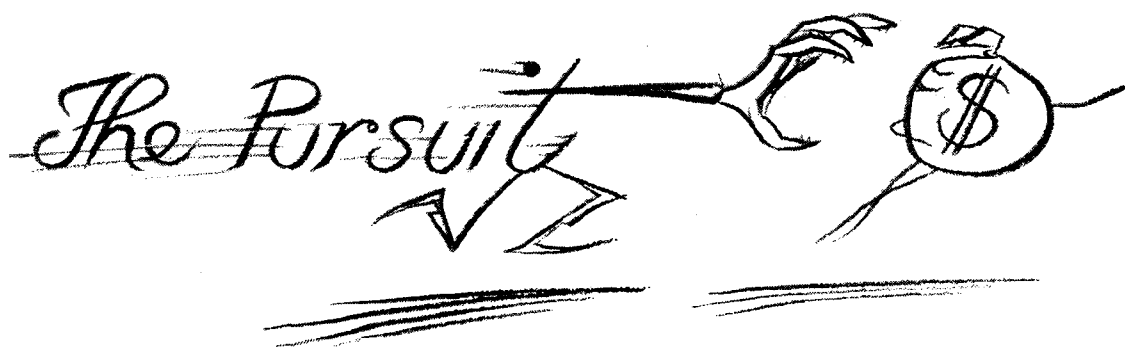
The two great libraries founded by Huntington and Folger, one on the Pacific Coast and the other on the Atlantic, are both developing the dreams of their founders, with perhaps more definiteness than either could have imagined. Huntington found in the elegant figures painted by eighteenth-century artists those qualities of stability which he believed typical of English character. Henry Clay Folger found in Shakespeare, the greatest English writer, intellectual, aesthetic, and moral values which he believed would serve as humanizing influences upon later generations. He was determined that his library would be not a mere monument and memorial but an active academy in the Renaissance sense, a place where learned men and women might come to study and have their minds stretched by contact with a great past. The United States and the world at large are the benefactors of these two book collectors who, in the course of their collecting, acquired a sense of high purpose.

MONEY

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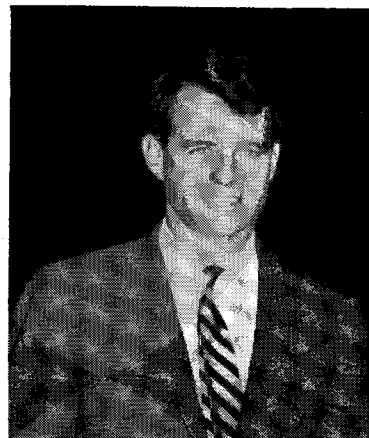


THE BALEFUL INFLUENCE OF GAMBLING

From the Two-dollar Bet to Narcotics

BY ROBERT F. KENNEDY

A graduate of Harvard College and the University of Virginia Law School, ROBERT F. KENNEDY managed his brother's campaigns first for the Senate and then for the Presidency. He won nationwide respect for his firm, intelligent behavior as chief counsel to the Senate committee which investigated improper activities of racketeers and gamblers, a field of inquiry that he pursues with undiminished force as Attorney General.



NO ONE knows exactly how much money is involved in gambling in the United States. What we do know is that the American people are spending more on gambling than on medical care or education; that, in so doing, they are putting up the money for the corruption of public officials and the vicious activities of the dope peddlers, loan sharks, bootleggers, white-slave traders, and slick confidence men.

Investigation this past year by the FBI, Internal Revenue Service, the Narcotics Bureau, the Post Office Department, and all other federal investigative units has disclosed without any shadow of a doubt that corruption and racketeering, financed largely by gambling, are weakening the vitality and strength of this nation.

But, as I sit down today to write this article, a business executive with an industrial firm on the Eastern seaboard is telephoning a bookmaker to place a fifty-dollar bet on a horse race; a factory worker in a Midwestern town is standing at a lunch counter filling out a basketball parlay card on which he will wager two dollars; a housewife in a West Coast suburb is handing a dime to a policy writer who operates a newsstand as a front near the supermarket where she shops.

These people, and millions like them who follow similar routines every day, see nothing wrong

Photograph courtesy of Wide World Photos.

in what they are doing. Many of them can afford the luxury of this type of gambling. They look upon it simply as taking a chance.

But they are taking a chance which the nation and its economy cannot afford. They are pouring dimes and dollars day by day into a vast stream of cash which finances most illegal underworld activities. The housewife, the factory worker, and the businessman will tell you that they are against such things as narcotics, bootlegging, prostitution, gang murders, the corruption of public officials and police, and the bribery of college athletes. And yet this is where their money goes.

Last May I appeared before a subcommittee of the House Committee on the Judiciary and testified in support of anticrime legislation then pending before the Congress. Relying on rock-bottom estimates of the Department of Justice, I estimated — probably conservatively — that illegal gambling in the United States does a gross volume of \$7 billion annually. That is more than the American people spend each year on bread.

Mortimer Caplin, the Commissioner of Internal Revenue, told Senator John L. McClellan's anti-racketeering committee that a total of \$25 billion a year is wagered in the United States, but he did not provide a breakdown on how much was legal and how much went into illegal channels. Twenty-

five billion dollars is almost as much as we spent on education in this country last year.

Last August, John Scarne, who has made a study of gambling for many years, testified before the McClellan committee that the annual gross figure on illegal gambling involves about \$50 billion. He testified that the bulk of this money was bet on horse racing through bookies. Fifty billion dollars is eight billion more than Congress appropriated last year for national defense. Our estimate of \$7 billion may be low. Mr. Scarne's estimate of \$50 billion may be too high, but it could be right. The truth is that nobody really knows. Senator McClellan pointed out that if the figure of \$50 billion is accurate, the government is being cheated out of some \$5 billion a year in taxes owed by the gambling community.

Is this really the way American citizens want it to be?

The great discrepancy in the guesses as to how much is wagered each year is understandable, because once the housewife, the factory worker, or the business executive gives money to a local bookie or policy writer, it disappears into the pocket of the underworld figure, who is in business to cheat the government — and his customer, if he can. And while many persons may regard the bookie on the other end of the telephone and the neighborhood numbers writer as the gambling racketeers, actually they are usually the small-time front men who stand to make a profit with every person who bets with them.

The bookies make a profit from the bettors because they have an edge on every bet. They pay track odds, but usually not in excess of twenty to one. The odds at the track are calculated after deducting the 15 to 18 percent of the total betting pool which goes to pay taxes and other expenses. The bookmaker pockets that amount.

But he is not a man of unlimited resources. He must balance his books so that he will lose no more on the winner than has been bet on the other horses in a race, after his percentage has been deducted. He cannot control the choices of his customers, and very often he will find that one horse is the favorite choice of his clientele. His "action," as he calls it, may not reflect the action of the track. Therefore, he must reinsure himself on the race in much the same way that a casualty insurance company reinsures a risk that is too great for it to assume alone. To do this, the bookmaker uses the "layoff" man, who, for a commission, accepts the excess wager.

The local layoff bettor also will have limited funds, and his layoff bets may be out of balance. When this occurs, he calls the large layoff bettors, who, because of their funds, can spread the larger risk. These persons are gamblers who comprise a

nationwide syndicate or combine. They are in close touch with each other all the time, and they distribute the bets among themselves so that an overall balance is reached on any horse race.

With a balanced book at any level — handbook, layoff, or syndicate — the edge is divided, and no one loses except the men and women who placed the bets. As an indication of the volume of business I am talking about, one of the largest operators in the combine does a layoff business of \$18 million a year. His net profit is \$720,000 a year. This is a 4 percent return on volume, with relatively no risk, as a result of the balancing of his books on each event.

The term "gamblers" is a misnomer for these persons. They accept money that the small gamblers wager, but they do not gamble at all. This is further illustrated, graphically, by what we know as the numbers racket.

A man purchases a ticket with three numbers on it, paying a dollar for the ticket. Since there are 999 such numbers, he should reasonably expect the odds to be 998 to 1. The numbers bank usually pays 600 to 1 on such a wager — or less — so you can see that the only gambler in this situation is the man who makes the bet. The operator pockets forty cents of every dollar bet — that is, if the game is run honestly. That, however, is too much to expect from this group. If the play is too high on any one number, they manage through devious means to ensure that a number on which the play has been small will be the winner.

WHILE we do have great problems in estimating the total amount gambled illegally, we can get some idea from significant records made available by the Internal Revenue Service through raids.

For example, the records of an Indiana bookmaker indicate that for a three-day period he received a total of \$1,156,000 in wagers. A check of the gross receipts of a large department store in the same city indicated its gross for the same three days as \$31,863. A Chicago bookie's records showed he took in \$6,400,000 in total wagers for one year, while a chain grocery store in Chicago showed total gross receipts of only \$293,000. While, actually, these comparisons may be unfair, in that the bookmakers probably are doing considerable layoff betting from smaller bookies in other cities and other states, these two instances are not unusual, as the following Internal Revenue figures indicate: A Los Angeles bookmaker, Jack Rosen, took in \$4,511,000 in one year. A Miami bookie received \$1,594,000; a Virginia bookie, \$1,221,000 for an eight-month period; and a Tennessee bookmaker, \$1,689,000 for five months.

A Pennsylvania policy operator collected \$587,000 in seven months.

But, invariably, when federal agents try to raid bookmakers and policy operators, the first efforts of the law violators are aimed at destroying all of their books and records. Only a short while ago raiders in Detroit used a ladder to go through a second-story window in a raid in which they found people in the house burning information sheets in a potbellied stove which had a padlock on it. IRS agents in Atlanta recently raided a policy operator who also operates a supermarket. They found records of baseball bets in his cash register. While agents were examining these slips, the operator of the establishment suddenly touched his cigarette to the betting slips, and they exploded in a ball of fire. This bolt-flash paper is now widely used by racketeers so that they can do away with their records in a matter of seconds. A New Orleans bookie who was recently raided raced into his bathroom and dumped his papers into a toilet. Agents were right on his heels and salvaged the soaking documents, which indicated \$6500 in bets had been placed with this operator during part of the day.

In January, Internal Revenue agents raided a large-scale bookmaking operation in Florida. The raid was unique because some of the Revenue agents brought fire extinguishers and were able to douse a fire set to flash paper by operators in an attempt to destroy records. However, I was more interested in the agents' report that the book-making operation appeared to handle about \$250,000 in bets daily.

These cases demonstrate that fantastic sums of money are being handed over to the gamblers by millions of Americans who, like the housewife, the factory worker, and the business executive, think they are simply taking a chance. They are not taking a fair chance. The odds are loaded against them.

THEIR dimes, quarters, and dollars do not stay in the pockets of the big-time gamblers and racketeers. Just as legitimate businessmen invest their profits in other businesses, so do the capitalists of crime use their gambling profits to invest in other criminal businesses. High on the list is narcotics.

The horrors of the narcotics traffic need no elaboration. The contribution of gambling to narcotics smuggling, however, deserves wide attention. The profits from narcotics smuggling can be enormous, but it takes large amounts of money to finance a narcotics ring, and almost invariably gambling revenues provide the initial investment. Indeed, the use of such revenues to finance nar-

cotics operations is so common as to be virtually inevitable.

During the 1920s and 1930s, such kingpin gamblers as Arnold Rothstein and Waxey Gordon invested huge amounts in the narcotics-smuggling business. An enormous international narcotics conspiracy in the 1950s was financed with the gambling profits and underworld credit of Harry Stromberg. He and seventeen others were convicted for their participation in this five-year heroin-importing operation.

The activities of Vito Genovese, a top racketeer, closely document the kinship between gambling profits and narcotics traffic. The Federal Bureau of Narcotics has described Genovese as having been the motivating force behind an international heroin-smuggling combine, and at the same time the controlling force behind gambling interests in several large cities. At one point, Genovese and several associates attempted to take over the numbers racket in the Spanish-speaking areas of East Bronx, New York. Their plan was to use the gambling profits from the numbers operation to finance heroin shipments into this country. The gang was arrested before it could carry out the entire plan. Genovese is serving a fifteen-year prison sentence for narcotics conspiracy, and his associates also received substantial sentences.

Strong-arm methods, including murder, are common in the illicit narcotics traffic. After a major international narcotics ring was broken up last year, two of the twenty-four defendants were murdered before completion of the trial. One was shot down in the Bronx; the burned body of the other was found near Rochester, New York. The business executive, factory worker, and housewife never encounter the seamy side, but this is what their bets are financing. Again I ask, Is this really the way the American people want it to be?

This Administration is making a major effort to bring organized crime and racketeering under control. Congress, in the last session, with strong support from Democrats and Republicans, authorized the Justice Department for the first time to deal with gambling activities. Our theory is that if we can reduce the gamblers' income, we will take a first major step toward cutting off the funds which now are being used to bribe public officials and finance the narcotics trade and other underworld activities.

In the past, only three effective laws have permitted the federal government to move against gambling. They are the wagering-stamp and excise-tax statutes, which basically were aimed at collecting revenue for the federal government, not at controlling criminal operations in this country, and a law prohibiting the interstate shipment of slot machines.

One of our new laws makes it a federal crime for any person to move in interstate travel to promote or participate in a racketeering enterprise. Some of the nation's most notorious racketeers have been insulated from prosecution by living in one section of the country and having illegal gambling interests in another.

In one case, many of the racketeers who backed one of the nation's big number banks lived in a resort area far from the scene of their illegal operation. Every month a courier with a bag of money was dispatched from the racket enterprise. One month's payment alone was in excess of \$250,000. The kingpins of this operation reaped huge profits and remained beyond the reach of the law because they had committed no crimes in the state in which they lived. We plan to move against such activities. The messenger who carries the funds across state lines and those who conspire with him are subject to the new law; and we hope, therefore, that we will be able to dry up this interstate flow of cash, which turns ten-cent bets in one city into massive profits in the hands of big-time hoodlums.

Two other new laws make it a felony to transmit bets and wagers between states by wire or telephone or to transport wagering paraphernalia to another state. Wagering paraphernalia, as defined by Congress, includes tickets, slips, or paper used in bookmaking, sports pools, or the numbers racket.

The new laws, which the President signed on September 13, had an immediate effect on the gambling community. The nation's leading race wire services, including Athletic Publications of Minneapolis, Minnesota—the so-called Minneapolis line, which furnished point spread and other sports handicap information — and the Nola News of New Orleans closed down. Federal field offices and local law-enforcement officials in every section of the nation report that the hoodlums who control gambling have curtailed or shut down their activities. Some are even making plans to dispose of their homes and move to other countries that will permit them to operate in the manner to which they have been accustomed.

But many of the gamblers, while making themselves less vulnerable to federal prosecution, are standing by with a wait-and-see attitude. We know they are worried, and from the evidence already in hand, the FBI has estimated that this

year alone we may have as many as ten thousand cases for investigation under the new laws. In the first four months that the laws were in effect, more than three thousand cases were brought under investigation.

The two other new laws extended the FBI's authority under the Fugitive Felon Act and prohibited the interstate shipment of weapons to or from persons accused of certain crimes. The Justice Department sought three other bills in the last session which are extremely important. They were enacted by the Senate and are now before the House. One would protect persons cooperating with the FBI from threats or coercion. Another would permit the government to give immunity to certain witnesses in labor-management racketeering cases, and a third would strengthen the 1951 law which prohibits interstate shipment of slot machines. The proposed measure would cover other types of gambling devices, including pinball machines.

The laws themselves, of course, while enabling the federal government to do a better job, will not make the final difference. That must come from the extra effort now being made by all the federal law-enforcement agencies and many local police officials, and from the support which this effort gets from the American people themselves.

The dishonesty of the gambling operations, the degradation of the narcotics and white-slave traffic are bad enough, but what really concerns me is the great wealth of the racketeers and the power that goes with it — the power to corrupt police and public officials, and in some instances, gain political control of an area.

The fundamental strength of our democracy, which is based on respect for the law, is at stake. Individual citizens, by working to elect honest public officials and raise policemen's pay, can make a major difference in this matter. But in the last analysis it depends on the business executive, the factory worker, and the housewife who have been financing big-time crime with their two-dollar bets and their ten-cent wagers. If they would stop patronizing the illegal bookie, the numbers runner, and the sports-pool operator, they could take the profit out of gambling and bring organized crime down to size quicker than all the combined efforts of the federal and local law-enforcement agencies.



The Hazards of the Stock Market

BY THOMAS W. PHELPS

An investment counselor who was formerly on the editorial staff of the WALL STREET JOURNAL, THOMAS W. PHELPS observed the market of the 1920s as closely as he observes the market of today. Mr. Phelps is a partner of Scudder, Stevens & Clark.

THIRTY years ago, anyone who thought the stock market would rise again to its 1929 peak in thirty years would not have dared to say so. Everyone knew we had seen the end of an era. Only thirteen years ago, anyone who thought the stock market would go up that far was a lonely optimist. Today, anyone who thinks the stock market will go down that far is a lonely pessimist. A decline to the 1929 peak would cut the Dow-Jones industrial stock average almost in half.

Congress has ordered a \$750,000 investigation of our securities markets. How safe will it find them?

Not absolutely safe, that is sure. Nothing in life can be. All safety is relative — relative to what it used to be, relative to what it might be, relative to the rewards of taking risks and to the penalties of not taking them. Thoughtful observers have likened the stock market to the automobile. Automobiles have killed more Americans than all our wars, yet have contributed so much to our well-being that no one dreams of legislating a return to horses and buggies, or of putting a ten-mile-an-hour speed limit on all motoring. Carrying this comparison further may help us to get some perspective on our securities markets.

As everyone knows, a motorist is vulnerable to three risks: the risk of mechanical failure; the risk of the road — fog, ice, washouts, unmarked curves, and crossroads; and the risk of human fallibility. Any one of them can be fatal.

Every investor runs risks which are analogous

Photograph courtesy of A. Devaney, Inc., New York.

to these, and the purpose of this article is to examine these hazards and show how they compare with those of the past. One of the most traditional risks is that of being cheated. Though still present, as attested by the current investigations of the American Stock Exchange, this risk seems smaller today than ever before. Attitudes in finance have changed, as well as laws and regulations. It is no longer a laughing matter to be caught out.

A second risk for the investor is inherent in the economic environment — inflation, taxes, depression, political upheaval, confiscation, war. The investor is no more to blame for these risks than the motorist is for the risks of the road, but, like the motorist, the investor may survive by correctly anticipating the risks. At times, our country's efforts to reduce risks in the economic environment seem like fleeing disaster through quicksand. Each step forward gives rise to new hazards. On balance, we now have better controls, and this risk seems less destructive than it used to be. Finally, there is always the chance that the investor will make a fool of himself — human failure again. This risk of making bad judgments even when the material facts are clearly known probably is about as high as it ever was. All three hazards were present in pressing degrees in 1929.

NEW SAFEGUARDS

To what extent has the risk of being cheated been reduced since the Crash? Information avail-

able to the investor is a great deal better than it was. One need only compare the 1929 annual reports of Allied Chemical and American Tobacco with their latest annual reports to appreciate the revolution that has taken place in corporate thinking about what a shareowner is entitled to know.

Undoubtedly, the necessity of making so much information public in Securities and Exchange Commission registration statements helped to bring about this change. So did the steady pressure of the New York Stock Exchange for fuller disclosure. But, increasingly, corporate managements in America have come to realize the value of being well known to the investing public. Some companies even issue special reports aimed at professional investors. Socony Mobil Oil Company, for instance, supplements its annual report with a companion piece of about the same size entitled "Financial and Operating Statistics," frankly aimed at anticipating as many reasonable inquiries as possible.

All this more abundant corporate information is not designed to make stocks sell higher than they otherwise would. While stock options and mergers via exchanges of stocks do give corporate management an incentive not to hide the company's light under a bushel, a prudent management knows how troublesome it is to be saddled with shareowners who paid too much for their stock and hence never can be satisfied with its progress. Such a management seeks to keep the investing public well enough informed to avoid blame for gross fluctuations in the market prices of its securities, both up and down.

INSIDE INFORMATION

Not only is the information available to the investor a great deal better than it was, but restrictions against taking advantage of inside information are tighter — so tight, in fact, that a broker recently was fined by the New York Stock Exchange and then suspended by the Securities and Exchange Commission for selling stock on learning of a dividend cut that had not yet been made public. In the precedent-making opinion in the case, SEC Chairman William L. Cary held: "A significant purpose of the Exchange Act was to eliminate the idea that the use of inside information for personal advantage was a normal emolument of corporate office. . . . Clients may not expect of a broker the benefits of his inside information at the expense of the public generally. . . . A breach of duty of disclosure may be viewed as . . . an implied misrepresentation. . . ."

Few would argue today against the restrictions which prevent insiders from taking personal advantage of their inside information. But it is still

hotly debated whether the recipient of information should be responsible for ascertaining whether that information is public before he acts on it. Some interpret Chairman Cary's opinion as approving only the use of "knowledge arrived at as a result of perceptive analysis of generally known facts." The phrase quoted is his. But does the mind have such watertight compartments? So strict an interpretation might suggest ultimate divorcement of money managers from industrial companies' boards of directors. Sidney J. Weinberg, director of a dozen of America's largest corporations, promptly ordered a legal review of his relationships with his own investment banking firm of Goldman, Sachs & Company. Paul C. Cabot, treasurer of Harvard University and chairman of the State Street Investment Corporation, firmly defends his duty as a director to make the best decisions he can on behalf of all the shareholders, whether or not his clients own shares; his duty as a manager of other people's money not to serve as a director of a company if serving means that the funds under his supervision will be precluded from use in buying and selling shares of that company; and his duty not to divulge to his investment committee confidential information received as a director before it is available to the public — for example, the Ford stock split. There is a precedent of sorts in the British House of Commons. A member with a financial interest in pending legislation must declare it, but need not disqualify himself from voting on the measure.

THE RELIANCE ON SECURITY ANALYSTS

The great increase in the number of competent, competitive security analysts at the service of the investing public has contributed to making our financial markets safer than they otherwise would be. Few companies anywhere have equaled the growth rate of the New York Society of Security Analysts. When founded a quarter century ago, the society had only twenty members. Its membership now is approximately 2700. Total enrollment in the twenty-five regional security analysts' societies banded together in the National Federation of Financial Analysts is about 7200.

In the early days, it was not easy to persuade corporate executives to take the time to address security analysts' meetings. Today the tables have turned so completely that corporate public-relations men vie to get such invitations for their bosses. Presentations are followed by question-and-answer periods, with no holds barred. Most leading companies supplement their published reports and presentations to security analysts by seeing analysts individually.

In respect to both adequacy of information pub-

lished and willingness to cooperate with security analysts, American corporations are far ahead of most foreign companies, though there are outstanding exceptions, of course. Many big foreign corporations today are in this respect about where their American counterparts were in the 1920s.

Laws against fraud have helped to make investing safer too. These laws, and Securities and Exchange Commission regulations issued under them, are directed both at misstatement or omission of material facts and at manipulation of market prices of securities. The laws on information make it much more difficult than it used to be for anyone to mislead the public without becoming liable to criminal prosecution, the more so since such a person must operate with our present large body of professional security analysts looking over his shoulder.

Some of the most effective policing against manipulative practices is provided by the New York Stock Exchange itself. An electronic device scrutinizing every transaction calls attention to any unusual activity or price fluctuation. Governors who know every trick start asking questions before anyone has had time to forget what happened. Thirty years ago, the Exchange may have been slow to accept the fact that what was once a private club had become a public institution, but no one challenges that now. If there has been any lag or letdown, according to Mr. Weinberg, it has been on what used to be known as the Curb (from the days when it was conducted outdoors, in the street) and is now the American Stock Exchange. About 80 percent of the members of the American Stock Exchange also are member firms of the New York Stock Exchange, but service on the American Exchange's governing committees has not been the Wall Street status symbol that corresponding roles on the Big Board have been.

THE EFFECT OF THE SEC

Big market operators of bygone years unhesitatingly cite the Securities and Exchange Commission ban on selling stock short except at rising prices as the greatest single market safeguard introduced since 1929. But for that ban, one fabulously successful retired veteran trader told me, he could make fifty million dollars in this market in short order. Specifically, the rule is that no one may sell shares he does not own except on an uptick — that is, at a price an eighth of a dollar or more above the immediately preceding sale.

If people bought stocks the way they buy meat, taking home an extra roast for the deepfreeze when the price is cut, short selling would not be a market problem. But some people seem to buy stocks because they are going up and to sell them

because they are going down. Such people used to be lambs to the short-selling wolves. All a big operator had to do was to sell stock until the price declined enough to change the minds of those who had bought it because it was going up. Then, as they dumped their shares, the short seller bought his back.

Another way in which our financial markets have been made much safer than formerly is by restrictions on how much of the price of securities can be borrowed. While there are laws and stock exchange rules against manipulation of securities prices, any great international market has some people operating in it who are beyond reach of the authorities; hence the importance of making manipulation not only a crime, but one as difficult as possible to commit. Margin requirements help to do that. Undeniably paternalistic, they limit borrowing, and thus reduce the risk that people may be forced to sell on a small fall in price.

Significantly, yearly price swings in the stock market since World War II have averaged about half what they were from 1900 to 1940.

CAN WE BALANCE OUR ECONOMY?

Now, what of the second risk, that of the economic environment?

Curiously enough, among all the governmental measures aimed at making the stock market safer, we find one which threatens to rock the boat. The capital gains tax is a built-in destabilizer. It operates to deter sales of a stock that is on its way up. A man buying a stock at 10 and seeing it rise to 90 must pay \$20 a share capital gains tax if he sells. Naturally, he postpones that tax liability as long as seems reasonable — often until he escapes it by dying. If and when he does decide to sell, however, someone else must put \$90 a share into the stock, but the seller gets only \$70, less commissions and transfer taxes. In other words, should the seller change his mind and want to buy back, he could not do so with the proceeds of his sale until the stock had declined more than \$20 a share.

So long as investors believe the long-term trend of stock prices will continue upward, this capital gains tax factor strengthens the market by restraining sales — that is, by reducing the supply of stocks offered for sale below what it otherwise would be. Once sentiment changes, however, and investors hasten to sell their common stocks or exchange them for others, the capital gains tax takes from the market a substantial portion of the funds available for investment in equities. Thus, the pool of risk capital is reduced at the very time when more rather than less such funds are needed. If a major decline comes, this factor may be expected to be more important than ever be-

fore because the capital gains tax is higher than it was in 1929 and the percentage advance in average stock prices is greater.

Inflation and taxes have tended to aggravate each other's impact on the stock market since the 1930s. Had it not been for the long-continued decline in the purchasing power of the dollar, investors in the higher income brackets might have relied much more heavily on tax-exempt state and municipal bonds. Anyone who bought them at the end of the war, however, and saved all the interest has less total purchasing power today than when he began.

There are two big reasons why stocks have been attractive to people in the \$50,000 and higher income bracket. (These people are estimated to have owned more than a third of all stocks outstanding in this country in 1958.) First, generally rising prices tend to give a competitive edge to established businesses. Second, the best-managed companies in the industries with the most promising growth prospects have afforded about the only chance to preserve purchasing power against the inroads of both inflation and taxes without sacrificing liquidity. For the individual who did not need current income, ownership of shares in a company increasing its earnings at the rate of 5 percent a year, compounded annually, has been better than owning municipal bonds, even if the tax collector did take most of the dividends on the stock.

Today's practical question, though, is not what inflation and taxes have done but what they are going to do. That, in turn, depends on our national needs, our national purpose, and our national will.

Fortunately, our internal economy seems safer than ever before. No less an authority than Dr. Arthur F. Burns, head of the National Bureau of Economic Research and former chairman of the Council of Economic Advisers under President Eisenhower, believes there has been a permanent change in the character of the business cycle. The link between production of goods and services and the flow of personal income has been broken, he holds, by unemployment insurance, pensions, income taxes (which drop when earnings drop), and the increased number of people on annual salaries as opposed to those drawing hourly wages. Bank deposit insurance has practically eliminated the danger of bank runs and the resultant necessity of selling securities and calling loans. The general use of self-amortizing residential mortgage loans is another stabilizing factor.

Most important of the stabilizing measures is the Employment Act of 1946. Albert J. Hettinger, Wall Street investment banker and mutual fund president, says we have displaced the gold standard

with the unemployment standard. In 1929 gold movements determined public policy. Now unemployment does. But once again we have a balance-of-payments problem. Have we robbed Peter (the American dollar) in order to pay Paul (the American full-employment economy)?

In the long run, the answer to that question must depend on our self-discipline. A man who keeps his word does not need a bag of gold to make his credit good. But he must not only intend to pay, he must be able to pay. To be able to pay, he must avoid undertaking to do more than he can. It is the same with nations. Right now, foreigners hold short-term claims against us exceeding our entire gold supply. Though longer-term, our investments abroad are much larger than these claims, so our position need not disturb us any more than it disturbs the head of any sound bank to realize that he cannot pay off all of his depositors at once. He knows that as long as he runs a sound bank, they will not all present their withdrawal slips at the same time. So it is with us as a nation. But, like the depositors in a bank, the countries holding these claims on our gold are in a position now to make us feel any dissatisfaction they may have with the way we manage our fiscal affairs.

We are no longer rich enough to do as we please no matter what our neighbors think, but neither are we poor enough to discharge our responsibilities in the world by saying we are broke. Basically, the magnitude of the cycle risk has been diminished because both at home and abroad we are acting increasingly on the principle that no one's title to any property is worth any more than the ability and willingness of his fellowmen to defend it.

President Kennedy seems forced into the balancing act of the century. A sustained high level of growth, some foreign aid, a reasonably stable currency and price level, and socially and politically acceptable minimums of unemployment are needed. Cynics say we are trying to have our cake and eat it too. Optimists maintain that with the cooperation of the other nineteen nations of the Atlantic community we can bring about such an increase in free world economic output and trade as will solve all problems. The vision is an inspiring one. Given cooperation and self-discipline all around, it may be possible of achievement.

AND WHAT ABOUT OUR JUDGMENT?

Two of the three investor risks seem under better control than they used to be. How about the third? Are we driving more sensibly on Wall Street?

The stock market has many speedometers. One

is what professionals call the price-earnings ratio. That is simply the price of a stock divided by its earnings: for example, price, thirty dollars; earnings, two dollars; price-earnings ratio, fifteen. Sometimes people will pay only seven dollars, or even less, for a good stock earning a dollar a year. Sometimes they will pay twenty dollars, or even a great deal more, for the same stock. Neither time are they necessarily right or wrong. If you wanted to buy an apartment house that was only half rented, believing that someday it would be fully occupied, you would be willing to pay a higher price for each dollar of its earnings than you would if it were full.

Suppose, however, that when the apartment house was half empty you decided that it was unlikely to get more tenants, and probably would lose some of those it already had. The price you then would be willing to pay would be low in relation to earnings, because you would be expecting even worse results. Conversely, suppose the apartment house was full but you felt sure so many people wanted to live there that it would have no vacancies even if rents were raised. The price you then would be willing to pay would be high in relation to earnings, because you would be expecting even better results.

Something like that seems to happen in the stock market. Four times in the last forty-one years, a representative list of good stocks (Baron's) has sold at about seven times earnings. And four times in the same period the list has sold at more than twenty times earnings (twice at more than twenty-five times). It sold at more than twenty times 1961 earnings late last year. How much of the post-war stock market advance has been due to increased earnings and how much to higher price-earnings ratios is easily calculated. If the Dow-Jones industrial stock average were selling today in the same relationship to its 1961 earnings as it did in 1946, it would be under 400 instead of over 700.

For better or worse, prices and investor confidence as expressed in price-earnings ratios have tended to rise and fall together over the last four decades. Usually they have moved in the same direction as earnings. This is another way of saying that we human beings incline to view the future hopefully in good times and glumly in bad times.

Price-earnings ratios gauge how far ahead people think they can see at any given moment, and how badly disappointed they will be if they are wrong. The practical significance of such a gauge rests on the fact that no one ever knows what the future holds. Remember the Irishman who wished he could know where he was going to die because, "Sure and I'll never go near the place." Anyone who cherishes the delusion that he can forecast

with certainty should read the population estimates made by our government a quarter century ago as the basis for social security legislation. It was estimated the United States would have a population of 150 million by 1980. Already we have 185 million, and the estimate now is that by 1980 we shall have 250 million.

The relationship between stock yields and bond yields is another gauge of how far people think they can see into the future. Historically, we know that stock prices tend to go up and down with the business cycle, while bond prices tend to move contracyclically. Stock prices go up because business is expected to get better. Bond prices go down because better business means more demand for money (business loans), and thus tends to raise interest rates. Hence, stocks may yield the least when bonds yield the most because low stock yields and high bond yields may be expressing the same optimistic opinion about the future of business. Tax-exempt bonds now yield more than stocks. In 1949 they yielded less than a fourth as much.

The relationship between prices of the best corporate bonds and second-grade issues tells a similar story. When people are very sure "It ain't gonna rain no mo'," as they were in the late 1920s, second-grade bonds sell almost as high as the best bonds. People seem to be saying, "What difference does it make? They'll all be good. Why not take the highest yield available?" But when business is bad and people fear it will get worse, second-grade bonds may sell to yield twice as much as the best bonds, as they did in 1932. In recent years, this difference between second-grade and the best bonds has been smaller than it was at any time in the 1920s.

Volume of trading tells us something about ourselves, too. Over the last forty-one years, trading on the stock market has been in small volume when prices were at what later proved to be low levels. Turnover consistently has been five to ten times greater when prices reached what subsequently proved to be high levels. Are we doing any better this time? On the surface it would seem not. In the month of June, 1949, when the current bull market got under way, fewer than 18 million shares changed hands on the New York Stock Exchange. Last year, with average prices more than four times as high, the biggest monthly volume was 118 million shares. But if we are to profit by experience, we must not equate surface similarities with causes and effects. Many an opportunity in life is lost by confusing memory with reasoning.

THE BROADER MARKET

One difference from the 1920s which should temper the conclusions implicit in this picture is



Leading drug company visited by "Financial Cabinet" security analyst



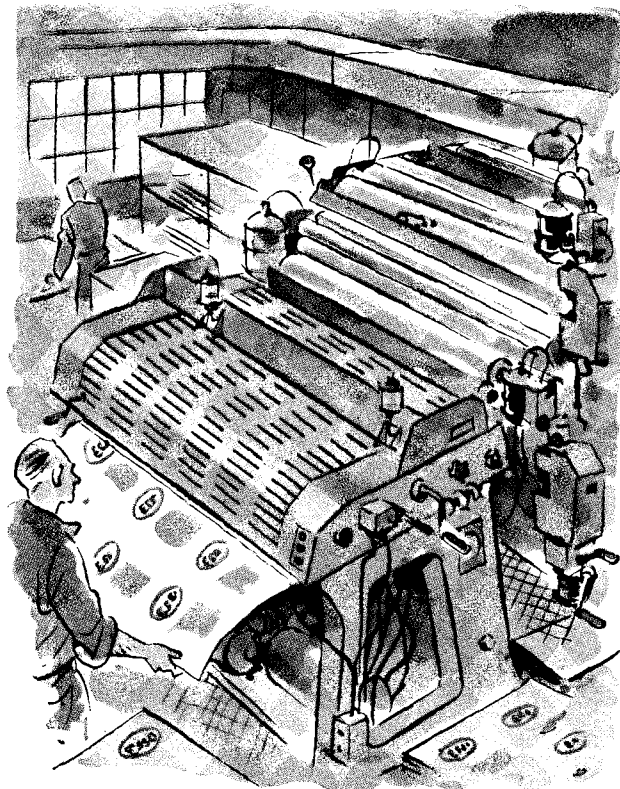
An experienced member of our investment research staff is about to begin another typically busy day! First off, he is headed for an interview with one of the corporation's senior executives. This session is apt to be lengthy. Our researcher seeks meaningful, up-to-the-minute information on this company's current operations and future plans. Questions will be frank, incisive: ☐ What is the situation now, both industry and company-wise, vis-a-vis official Washington? Is the research program beginning to yield any significant results? Just what is the overseas earnings picture apt to be? What seem to be the most promising new

products—new markets? How will anticipated capital expenditures affect earnings in 1962? What is the longer-term growth outlook? Are any major acquisitions under consideration? ☐ This is just the beginning of one man's one day. Such research is the key to investment performance. Our "Special Management" booklet may be of particular interest. 100 Franklin St.—tel. Area Code 617 LI 2-9450. ©

BOSTON
SAFE DEPOSIT AND
TRUST CO.

How minding
our own
business
gets a lot of
other things
done

Oil and Artists



The complex world of modern business often requires us to get into surprising sidelines—from running restaurants to publishing magazines. ➡



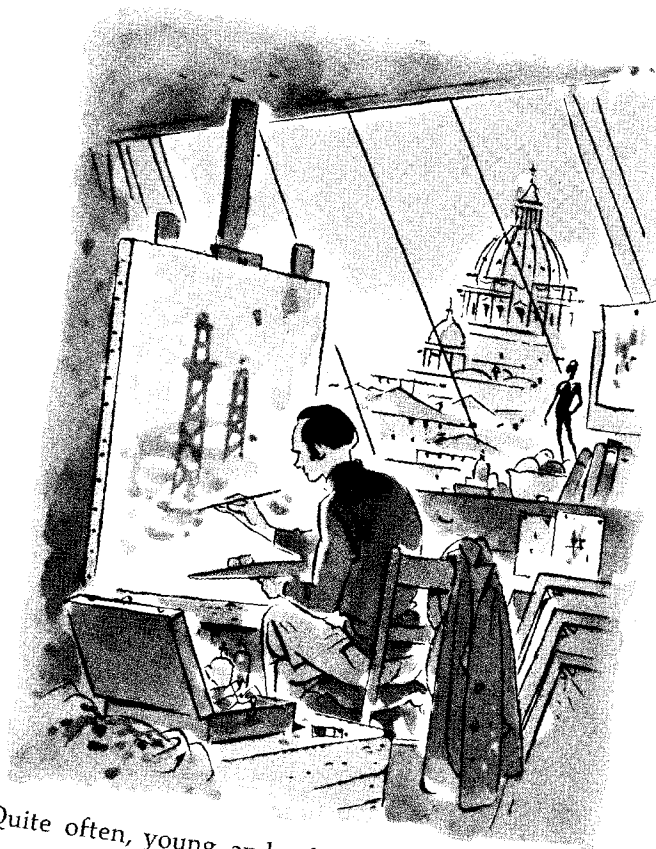
STANDARD OIL COMPANY
(New Jersey)



So Esso Italiana decided to hold an art competition to be judged by leading authorities and with suitable prizes. The paintings were exhibited throughout Italy.



Like many of our affiliates, Esso Italiana has for a number of years published a handsome company magazine written, edited and designed by employees.



Quite often, young and relatively unknown artists were commissioned to do paintings for illustrating this magazine. They drew much favorable comment.



Four of these competitions—now an important institution in the Italian art world—have been held. For many artists, it is their first step to public recognition.



Thus, fulfilling our own needs, we helped bring acceptance to young and fresh talent. *Business, conducted with imagination, often produces unexpected benefits.*

WHAT DO YOU SAY TO A KID WHO CAN'T WALK?

For her, learning to walk is hard, hard work. Sometimes she cries.

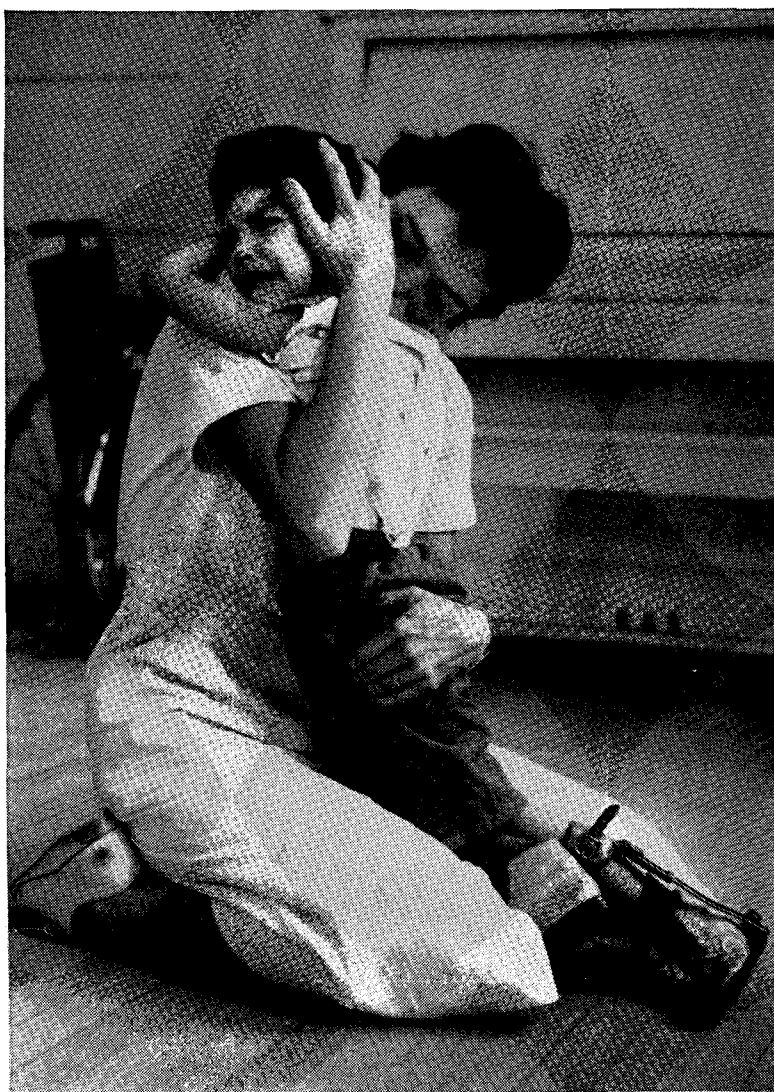
Usually you can josh her along. But words don't always help. So you love her—until she gets her fight back. Then she's ready to try again.

Love is one of three things that help a crippled child walk. The other two are *skill* and *money*.

We've found people with love and skill to give, like the Easter Seal therapist in the picture.

We're looking to you for the money. Not a lot—just enough to put one kid one day closer to walking. That's about \$5.

The Easter Seals you use enable the Easter Seal Society, through its many clinics and centers, to help people fight against these crippling disorders—crippling accidents, poliomyelitis, cerebral palsy, multiple sclerosis, muscular dystrophy, arthritis, birth deformities, speech defects and many others.



"Fight with them—against crippling"



EASTER SEAL FUND APPEAL

ADDRESS: CRIPPLED CHILDREN, C/O YOUR LOCAL POSTMASTER



the size of the market. The value of shares traded on the New York Stock Exchange last year was nearly *six times* the 1949 figure, and the rise in the total value of all stocks listed on the Exchange was almost as great. Symptoms of public speculative fever likewise fade when measured in shares traded compared with shares listed. Four times as many shares were traded last year as in 1949, but there were nearly three and a half times as many shares listed. Relating the increase in market activity to the growth of the country helps to keep it in perspective too. The aggregate value of shares traded in 1929 was \$125 billion. That was 20 percent more than the 1929 gross national product of \$104 billion. Value of shares traded in 1961 was only 10 percent of the 1961 gross national product of \$520 billion.

While the number of shareowners in American industry, now estimated at upward of fifteen million, has more than doubled since 1952, broadening of public interest in business and finance has been far greater, as is reflected in the circulation of the *Wall Street Journal*, which has soared from 29,000 in 1940 to nearly 800,000. Similar trends have been shown by other financial publications and investor information services. If, in evaluating the increase in trading since 1949, allowance is made for the increase in the number of people owning shares, as well as for the increase in the number and value of shares outstanding, it can be argued that the market is actually less active now in relation to the job it has to do than it was thirteen years ago.

Even comparing the price of the stock of an individual company with what it was years ago can be misleading. Many companies still bear the same names as they did in the 1920s and 1930s but are quite different. Heavy expenditures on research, usually not capitalized, have changed some of them so much that their chief executives of those prior years would not be able to identify most of the products they are turning out today. Accelerated depreciation has reduced reported earnings in many cases below what they would have been by the bookkeeping of former years.

INSTITUTIONAL DEMAND FOR STOCKS

Probably the most significant change, however, has been the sharp rise in institutional demand for common stocks, coincident with reduced reliance by corporations on equities for their financing. Institutional demand for common stocks increased tenfold in the post-war period. At the same time, corporations used equities for only a third as much of their external financing as they did in the 1923-1929 period, when they were relying more on external financing. Taxes provide part of the ex-

planation for the change in corporate fiscal policy. Interest on bank loans or bonds is paid out of earnings before the 52 percent corporate income tax. Dividends must come out of what is left after that tax. Overly simplified, this means that more than half of every million dollars paid out in interest on corporate debt would have gone to the federal tax collector anyway. Another possible explanation is that borrowing avoids dilution of the equity, which is particularly distasteful to shareholders in periods of expanding business and profits. A third factor is that corporations have been relying more on internally generated funds than in the 1923-1929 period. To the extent that shareowners are able and willing to reinvest earnings, there is a saving both in taxes and in financing costs if the company retains the earnings instead of paying them out in dividends and then getting the money back through sale of bonds or stocks. For all these and, no doubt, other reasons, the supply of new common stocks coming to market was sharply curtailed at a time when a great new demand for them was coming into being. And everyone — the insurance companies, state and local retirement funds, savings banks, mutual funds, and corporate pension funds — wanted the same stocks, those highest-grade, growing companies so dear to the heart of the high-tax-bracket individual as well.

Currently, all this institutional buying of common stocks probably is at a net annual rate of about \$4 billion. That does not include whatever purchases are being made for trade-union retirement funds and partnership retirement and profit-sharing funds, because the data are not available. In the 1920s, institutions bought almost no stocks, aside from the brief flurry of investment-trust buying at the end of that period.

By far the most important institutional force in the stock market now is the corporate pension fund. Common-stock purchases by these funds currently are running at an estimated annual rate of about \$2 billion net, compared with barely \$200 million at the beginning of the 1950s. A Securities and Exchange Commission report put their total assets, as of the end of 1960, at \$32 billion, and they are considerably higher now.

In the insurance industry, fire and casualty companies now hold about \$9 billion in stocks, and their net purchases in recent years have averaged almost \$200 million annually. The fire companies have been steady common-stock buyers since the turn of the century. Life insurance companies have about half as much invested in common stocks now as the other insurance companies but are potentially a larger force, not only because of their great size (their total assets exceed \$126 billion) but because of the possibility

that they may sell an important volume of variable annuity contracts someday. At the behest of the Prudential Insurance Company, New Jersey already has adopted the necessary permissive legislation. For almost half a century prior to 1951, New York state banned common-stock purchases by life insurance companies. Now they may invest up to 5 percent of their assets or 50 percent of their surplus (whichever is lower) in equities.

Net common-stock purchases by mutual funds last year are estimated at more than \$1.2 billion, in contrast with less than \$200 million in 1950. Mutual fund assets have grown since the war from \$1.3 billion to \$22 billion. No one can prove to what extent these investment companies are merely instruments through which individuals buy common stocks they would have bought anyway, but old-timers who remember the effect of World War I Liberty loan drives in making Americans conscious of securities attach much importance to the influence of mutual funds' sales forces in channeling into the stock market many savings that would not have found their way to it otherwise. Like life insurance in its early days, mutual funds generally have been sold rather than bought.

Compared with the total market value of stocks outstanding, institutional demand is small — barely one percent of the listings on the New York and American stock exchanges. What has made it such a significant market factor, aside from its concentration on prime companies, is that in recent years it is estimated to have equaled all of the new supply of common stock sold for cash by issuing corporations, as well as that liquidated by estates to meet inheritance taxes. Occasional excesses of demand over supply could be met only by bidding up prices to levels at which owners of equities became willing to part with them. The stock market cannot absorb capital by rising. Only the sale of new stock issues can do that. No matter how high a stock goes, when it is sold the seller finds himself with about as much idle cash as the buyer has just put to work. The panic of 1873 came because of a glut of new issues. Last year, common-stock sales by issuing corporations exceeded \$3 billion for the first time since 1929, when the comparable figure was \$4.8 billion. Estate liquidations are estimated to have contributed close to \$1 billion additional to the 1961 supply. Even so, that supply does not appear to have equaled the net institutional demand.

The quality of institutional demand may be as important as its quantity in making today's stock market different from that of the past. Relative values are being scrutinized as never before. Institutional portfolio managers vary in talent just as

individuals do, but as professionals they recognize their responsibility to know what they are doing and why. Their measured pace should tend to offset some of the emotional excesses of those speculators who buy too high because the price is rising and end by selling too low because the price is falling. To the extent it does so, the risk of human failure in the stock market will be reduced.

STILL TO BE SOLVED

Like every other business or profession, the securities business has its unsolved problems. The new safeguards of adequate information, competent analysis, and legal bans on misrepresentation and manipulation do not extend equally to the over-the-counter markets, where trading volume at times exceeds that on the stock exchange, nor is institutional demand as much of a factor in them. But, on the whole, notwithstanding recent lapses, standards in America's financial markets are probably close to the highest they have ever been and compare well with those of other highly respected businesses and professions which, sometimes have their quacks, payola, and shysters.

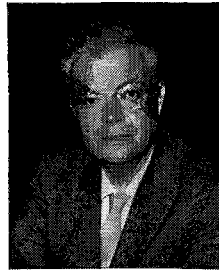
Where does this leave us? We have seen an enormous increase in the number of people interested in our greatly expanded securities markets, in our vastly bigger and richer country. We have seen how they have been safeguarded against fraud and even against some of their own follies, and what success has attended efforts to stabilize our country's economy. Far from a glut of new equity issues, we have seen something akin to a chronic shortage of favored stocks. The supply-demand relationship may have changed enough to alter permanently the level of prices of stocks as compared with bonds.

But the risk of human failure is still with us — the failure to remember that the tree does not grow to the sky, that the only certainty in investing is change. No one really buys stocks at sixty times earnings. When people appear to be doing so, they are actually buying them at fifteen or twenty times what they expect future earnings to be. Nor do people really prefer taxable dividends on stocks to even larger tax-free interest on municipal bonds. When they seem to be doing so, they are trading what they see for what they foresee. Thus, the human failure, if it occurs, will be in these earnings estimates. If, perchance, the current era should turn out to be a period of historic overvaluation, it will be because the "beautiful theory" of uninterrupted growth of corporate earning power is done in by a presently masked "gang of brutal facts."

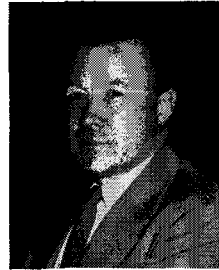
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THE UNIONS AND THEIR WEALTH

BY
A. H. RASKIN



David Dubinsky



Walter Reuther



James Hoffa

A. H. RASKIN has been covering major labor-management developments for the *New York Times* for almost thirty years and is now a member of the paper's editorial board. In World War II he received the Distinguished Service Medal for his contributions to the army's labor relations program. His journalistic awards include the Sidney Hillman Memorial Award, the George Polk Award, and the Page One Award of the New York Newspaper Guild.

THE House of Labor, once as Spartan an abode as any cold-water flat in the slums, now is so comfortably cushioned with cash that doorbell ringers from the financial community have become regular visitors. Unions, which only three decades ago were having trouble paying their electric bills, take in and spend nearly a billion and a half dollars a year in dues revenue and exercise an influential voice in the administration of at least three times that much in treasury, pension, and welfare reserves.

Wall Street remains a favorite whipping boy in union oratory, but the union stake in Wall Street has grown substantial enough to prompt increasingly cordial day-to-day relationships. A half dozen of the country's biggest banks and brokerage houses sent special representatives to fraternize with the delegates at the biennial convention of the American Federation of Labor and Congress of Industrial Organizations in Miami Beach last December. Two months earlier, when the AFL-CIO executive council met in New York, the members of unionism's power elite were besieged with invitations to lunch or dine in Wall Street board rooms. The extent to which affluence has created new challenges for responsible unionism received the federation's official cognizance a year ago, when it established an invest-

ment department in its Washington headquarters to counsel its 132 affiliates on ways in which union money could earn more money with maximum concern for considerations of safety and social usefulness.

Its action came after the federation had vetoed dozens of schemes for employing union funds to give labor a direct pocketbook control over key sections of industry. The most ambitious of these discarded proposals to have unions turn capitalists in an upside-down species of Marxism was put forward by a pillar of the New York Stock Exchange. He suggested to William F. Schnitzler, the AFL-CIO secretary-treasurer, that each of the organization's 13 million members be asked to put a dollar a week into an open-end investment trust. The money would be used to buy common stock in a selected list of giant corporations. When the union holding in any single company came to 5 or 10 percent of its total stock issue, the Wall Streeter observed, labor could demand a seat on its board of directors and thus exert a significant influence in shaping corporate policy on union recognition and collective bargaining.

Schnitzler read the proposal with distaste. His response to the broker was an explosive rejection of the notion that unions ought to usurp the functions of management. "If I had suggested that,

Photographs courtesy of Wide World Photos.

you'd call me a Communist," he snapped. He gave an equally chilly rebuff to another broker's suggestion that all AFL-CIO unions register their stockholdings in a central file as a means of turning the heat on companies involved in strikes or contract deadlocks.

One government official asked a labor leader why unions with sizable reserves did not quietly buy control of one or another of the huge industrial corporations with which they dealt.

After a few moments of strained silence, the unionist consigned the thought to perdition with the crisp comment: "That's not the kind of responsibility we're after. It would slow down our fight for higher wages and greater fringe benefits." Genuine as these protestations are that labor has no wish to become boss in a capitalistic distillation of collectivism, it is far from unthinkable that the piling up of employee benefit funds will eventually force unions toward a dominant role in the ownership of many large companies and the embarrassing necessity of occupying seats on both sides of the bargaining table.

WHO CONTROLS THE FUNDS?

The very speed with which pension money is accumulating provides a powerful impellent for such a breakdown in labor's traditional reluctance to involve itself in issues of corporate finance. The reserves earmarked for employee retirement benefits already total \$55 billion, and this sum is expanding at the rate of \$5 billion a year. True, unions now have little to say about how these funds are invested. Ninety percent are administered by trustees selected solely by management. Union trustees have sole control over the handling of less than 3 percent, and the rest are jointly run. Even where the unions do control, their present preference in many cases is to leave investment policy in the hands of banks, consultants, or insurance companies.

However, it is an axiom of union philosophy that all money set aside for pensions is a form of deferred wages that belong to the workers and should be applied in ways that will conform to their ideas of what is good for them and for society. On this basis, there is every ground for expecting that labor will press for a more assertive role in the conduct of funds now under employer command. This will mean more money invested in housing for low- and middle-income families, hospitals, and community facilities. But it will also mean an increased union involvement in the purchase of corporate securities. Self-insured pension funds, with 43 percent of their money in common stock, are the biggest institutional buyers of stock in the United States. The more unions

have to say about administering these funds, the more inevitably they will become a significant element in business ownership.

The First National City Bank of New York got a taste three years ago of the manner in which unions can now use the power of the purse as a weapon in much the same way that they have historically used the strike, the boycott, or other forms of mass economic pressure. The bank had declared in its monthly economic review that unions had become a "relatively unregulated type of big business," with more wealth and power than was healthy for the country. The bank's prescription for curbing unions was the enactment of state right-to-work laws.

This so outraged New York's labor leaders that a dozen local unions threatened to call a strike against the bank — a strike not of union men, but of union money. Their plan was to register their anger by withdrawing tens of millions of pension dollars from the bank's custody. They were not mollified until George Meany, president of the AFL-CIO, was promised "equal time" to set forth labor's viewpoint in a subsequent issue of the economic review.

His statement denounced the bank for using its depositors' money to advocate controversial legislation that had nothing to do with banking, characterized the power of bankers as vastly greater than that of unions, and praised unions as the nation's most dependable bulwark against economic stagnation and class warfare. He took particular exception to the bank's implied censure of union leaders for having "learned to know and enjoy superior living standards, formerly reserved to successful men in business, the arts, science and politics." To Meany this sounded like a hangover of "barren feudalistic prejudice" intended to suggest that union presidents had less right to the good life than bank presidents.

UNIONS AS BIG BUSINESS

Apparently unnoticed by any of the union chiefs involved in the episode was the arresting indication it provided of the degree to which unions have taken on the aspect of big business, and in the process, have embraced many of the yardsticks and operating techniques of big business. A few years earlier the combined assets of all the protesting unions would have been so modest that any proposal that they marshal their money as a club to overawe the third largest financial institution in the United States would have seemed totally ridiculous.

Before Franklin D. Roosevelt's New Deal started unions on their rapid upward climb in the thirties, union treasuries were almost empty,

unions had no employer-financed pension or welfare funds, payless paydays were common, and the hair shirt was standard attire for most union officials. When Andrew Furuseth, the gaunt Norseman who founded the Sailors Union of the Pacific, was told in those days that he was going to be arrested for defying a no-strike injunction, he cast an uncomplaining eye around the verminous hall bedroom that was his home. "You can put me in jail," he said, "but you cannot give me narrower quarters than as a seaman I have always had; you cannot give me coarser food than I have always eaten; you cannot make me lonelier than I have always been."

Walter Reuther's first post in the UAW was as president of a Detroit local that had only thirteen members, instead of the fifteen required by the parent union's constitution. "The rest of us paid the dues of two men who hadn't joined yet so we could get a charter," he explains. When Reuther was elected to represent the local at the UAW convention in South Bend in 1936, one member moved that the entire local treasury be turned over to him for expenses. The woman who served as treasurer insisted on an amendment to compel a full accounting and the return of any unspent money.

When Reuther assented, she fished into her purse and pulled out the local's assets — a five-dollar bill. Reuther hitchhiked to South Bend, where he shared a hotel room with four other delegates. He was the only one officially registered.

His story has a counterpart in the early career of almost every top unionist. Hunger and hardship were the union builders' constant companions. Arrests on the picket line, bloody clashes with employer strong-arm squads, week after weary week of grinding effort with little sleep and never a day off — all these were the norm in a period when it was easy to think of unionism as a crusade. It was not unusual in that turbulent era for union constitutions to specify that the president was to earn no more than the highest-paid mechanic. The pay ceiling had the double purpose of enabling him to understand firsthand what his members needed and of reminding him that the next election might compel him to get used to earning his livelihood in the shop again.

LABOR'S NEW EXECUTIVES

How has affluence changed the character of unions and their officers? The specific answers are as varied as the organizations, the industries in which they function, and the men who head them. For many unions, the security which comes from large memberships, stable bargaining relation-

ships, and plentiful funds has opened increased opportunities for beneficial service to workers, industry, and the general welfare. For others it has opened increased temptations to corruption, slothfulness, and abuse of union strength. Scarcely a week goes by without a fresh sign that the problems of stewardship are growing almost as fast as the funds. How these problems are solved may alter the whole nature of labor-management relations and even of our industrial society.

What is true for unions holds with even more dramatic force for their leaders. The hair shirt has given way to white-on-white broadcloth, imported fabrics, and custom tailoring. The emergence of industry-wide bargaining and the baffling complexity of union affairs have walled even the most zealous officials away from intimate contact with their rank and file.

The man in labor's executive suite no longer can get by on an elixir of idealism, energy, and personal magnetism. He must equip himself to deal intelligently with intricate questions of law, banking, corporate structure, business prospects, foreign trade, industrial technology, insurance, staff relations, civic affairs, and politics. He becomes a manager of labor, presiding over a bureaucracy that parallels in many ways the bureaucracy ruled over by the industrial managers he sits opposite in contract negotiations.

Perhaps the best way to gauge the differing impact of money on unions and union leaders is to take a close look at the country's two largest labor organizations — the 1,500,000-member International Brotherhood of Teamsters, headed by James R. Hoffa, and the 1,200,000-member United Auto Workers, under Walter Reuther's leadership. Two organizations and two leaders could not possibly be further apart in their conceptions of what unions are for, how they should use their money, and where the line should be drawn between business and unionism. The difference does not stop with philosophy; it is mirrored in every phase of day-to-day operation.

DAVE BECK OF THE TEAMSTERS

The Teamsters, a union so powerful that few other unions can do without its help in strikes or organizing campaigns, has been banished from the AFL-CIO on charges of domination by corrupt elements. Its exile in 1957 stemmed from a fetid catalogue of misappropriation and misrepresentation drawn up in testimony before a Senate investigating committee. The inquiry revealed a nightmarish perversion of the American dream — mansions, racing stables, costly automobiles, hand-tailored suits, and a host of other luxuries arrogated to themselves by officials who treated the

union's money as their own. Take the rags-to-riches record of Dave Beck, who stepped down as president to make way for Hoffa two months before the federation ordered the whole crew to walk the plank.

When he started driving a Seattle laundry truck in his senior year at high school, he was the penniless son of a carpet cleaner and a laundress. By the time he battled his way to the international union presidency, he had become a millionaire in his own right and had appointed himself labor's goodwill ambassador to the business community. The mayor of Seattle proclaimed him the city's most distinguished citizen; he was president of the Board of Regents at the University of Washington, Exalted Ruler of the Elks, and a member of the State Prison Board of Parolees.

The management of money — his own and the union's — became an obsession with Beck. One day, after he had harangued the executive council of the old AFL for an hour on the wisdom of investing union funds in common stock, George Meany commented tartly: "You're a good businessman. You belong in the business world, not the labor world." That was four years before the McClellan committee began letting the world know exactly what kind of businessman Beck was.

The record showed that he had taken \$370,000 from the Western Conference of Teamsters with no indication that he ever intended to put it back. It was only after the Internal Revenue Service began checking his accounts that he explained he had always really considered the money a loan. Covering the missing funds involved Beck in a tangled web of borrowing from employers with whom the union had contracts. His ethics were elastic enough to keep this from presenting any worry about conflict of interest. He had already sold his palatial Seattle home to the union for \$163,000, with an understanding that he was to occupy it rent-free for life. The sale was made with no notice that the union had supplied the funds to build the house in the first place.

Nothing was too petty or too mean to stir Beck's cupidity. He cheated the widow of his closest union associate out of \$11,000 in a mortgage deal made with money the union had raised to take care of her. He borrowed \$14,000 from two large trucking operators to help set up his son in a toy-truck project. There was nothing speculative about this venture to have every Teamster local buy an elaborate model truck for display in its office. The sales announcement was accompanied by a Beck mandate, "Buy or you'll hear from me." The result was a net profit of \$84,000 for Dave Beck, Jr., and his partner.

The partner was the son of Nathan W. Shefferman of Chicago, a union buster and labor relations

fixer for Sears, Roebuck and dozens of other prominent companies. Shefferman was the original "I can get it for you wholesale" man. It was a slogan he applied with equal diligence to getting his industrial clients cut-rate union agreements and his labor cronies bargains in everything from motorboats to wall-to-wall carpeting. Beck was his best customer. The \$94,000 in purchases he made over an eight-year period covered such diverse items as bow ties, pillowcases, love seats, golf clubs, a freezer, football tickets, six pairs of knee drawers, and five dozen diapers.

Beck left the McClellan hearings and the union presidency with not the faintest acknowledgment that anything he had ever done was even remotely deserving of censure. His certainty that no Horatio Alger hero could match his rectitude or merit has survived a conviction for filing false union tax returns, which he is now appealing. At latest reports, he was still telling visitors that all his actions were for the good of the Teamsters, that a big union should be run on the same lines as General Motors or United States Steel, and that labor should beware of the "socialistic" ideas of Walter Reuther.

JIMMY HOFFA'S EMPIRE

Beck's replacement, Jimmy Hoffa, has his own brand of financial unorthodoxy, even though he exhibits little of his pudgy predecessor's voracious interest in money as the vehicle for a well-upholstered existence. Hoffa's interest is in money as an instrument of power, the sun, moon, and stars of his universe. He keeps no bank account, writes no checks, and deals only in cash — a method through which he has distributed hundreds of thousands of dollars.

The Senate investigators found that the range of businesses in which he had shared ownership in recent years was as wide as that of any holding company. Robert F. Kennedy, then chief counsel to the McClellan committee and now the Attorney General, traced the Hoffa proprietary interest through four trucking companies, a wholesale grocery, a brewery, a racetrack, an investment company, a boat-unloading enterprise, a taxi fleet, two summer camps, a professional prizefighter, and a Florida land-promotion scheme.

The land deal is currently haunting Hoffa in the form of a federal indictment accusing him of misusing \$500,000 in union funds in a mail-fraud conspiracy. The charges grew out of the collapse of a project called Sun Valley, which had been started in 1955 as a retirement village for members of the truck union. Henry Lower, a fugitive from a California road gang, bobbed up on the Teamster payroll in Hoffa's home city of Detroit to

conduct a super sales campaign in support of the project. Lower collected \$90,000 in fees and expenses, and began making arrangements for bank loans to improve the land. Evidence before the McClellan committee indicated that he got the desired sum of \$500,000 from a Florida bank by informing it that Hoffa had a principal interest in Sun Valley and would place \$500,000 of Teamster money on interest-free deposit in the bank as security for the land-development loan.

The principal interest, it later became known, was an option under which Hoffa and Owen Bert Brennan, head of Detroit Local 337, were to have the right to buy 45 percent of the land at the original price if the project proved successful. It never did. Lots were sold to 1382 people, the overwhelming bulk of them members of the union, but the promise of a dream city was not kept. Roads were not built, sewers and electricity not installed, improvements not made. The reason, according to the Senate investigators, was that Lower pocketed at least \$144,000 of the bank loan. He was convicted on a narcotics charge in 1959, and he died of cancer last August. The indictment against Hoffa for his part in the transaction was thrown out on technical grounds last year, then reinstated. His lawyers are hopeful that they can kill the charges for good this time, but the Justice Department is just as optimistic that it can make them stick.

In his eighteen truculent appearances before the McClellan committee, Hoffa brushed aside suggestions that there was something inherently wrong about a union leader's owning a business in his own industry or accepting substantial loans, without notes or interest, from the employers with whom he bargained. He maintained that the best way for a union chief to discover what an industry could give in negotiations was to become an employer himself.

The most piquant testimony about how this philosophy worked in practice involved the formation of a car haulaway agency that paid Mrs. Hoffa and Mrs. Brennan \$155,000 in dividends on a \$4000 initial investment. The business was in the nature of a gift to the two union wives by the Commercial Carriers Corporation after Hoffa had played a dominant role in forcing settlement of a 1948 strike against the company by nine owner-drivers. One of the strikers asserted that Hoffa had "jumped down our throats" to get the stoppage called off.

The Senate investigators accused the Teamster president of repeated betrayals of his union trust in ways that ranged from the loose handling of union money to the issuance of union charters to hooligans with long criminal records. With the hearings over, Hoffa sneers at all the charges as

the product of men bent on weakening the union by discrediting its leaders. The Teamster convention in Miami Beach last July gave dutiful endorsement to Hoffa's self-exculpation. It absolved him and his fellow officers of any wrongdoing, gave him an even freer hand in administering the union's \$38 million treasury, and made available still more to spend by raising per capita dues income from \$8 million a year to \$20 million. On the theory that the head of the biggest union ought to draw the biggest salary in labor, the convention ratified the suggestion of a Hoffa-led committee that he get a 50 percent pay raise. This put him in the \$75,000-a-year class — \$15,000 above the listed earnings of any other international union president. However, one of his own vice presidents draws \$90,000 a year under a unique commission arrangement on union dues.

Hoffa insists that he has no direct ownership interest in business these days, but his financial talents find ample play in the management of upward of \$75 million in union pension reserves. He swaggers through his meetings with bankers and real estate operators with the same assurance he shows in a gabfest at the end of a truck loading dock. The record of Sun Valley and other sour deals he has made gives him no pause.

He blames their apparent failure on the "scare publicity" they received from the McClellan probers. In the case of Sun Valley, he contends that in ten years the land alone would have been worth ten times the \$500,000 he is accused of having misapplied, even if no one ever ran a bulldozer across it to transform it into a housing site. The pension fund of his Central States Conference of Teamsters is probably the biggest holder of mortgages on luxury hotels, motels, supermarkets, and even religious institutions on Florida's Gold Coast.

The fund is Toots Shor's landlord in the lavish new restaurant he has built in mid-Manhattan. The trustees expect to make 9 percent on their investment, and Hoffa says that, if necessary, the fund can still come out ahead by converting the building into a parking garage. He has equally fast defenses for the many other controversial investments in which he has had a voice. He asserts that it is all strictly business with him and that he gets no kick out of fraternizing with financiers or corporation executives in search of Teamster money.

"If I weren't in this job tomorrow, there's not one of 'em would want to know me," he says. "I don't kid myself about that. They wouldn't even say hello. I tell 'em all, 'What're you looking for?' The only guys I associate with are my own people. The guys on the loading dock or behind the wheel of a forty-foot rig, they're the only ones that aren't looking for a quarter when they say hello."

His bleak view of conventional morality is made stonier by the huge sums the union has shelled out for lawyers since Hoffa took over. Included in his legal battery (so big some call it the Teamsters Bar Association) are former governors, senators, and heads of bar associations — all employed at high fees. For a man whose involvement with the courts requires such constant enlistment of the leaders of the bar, Hoffa takes no pains to mask his contempt. “Lawyers, all they give you is a piece of paper and a lot of educated conversation,” he says. “All they know is how to charge a thousand dollars for a court appearance — never anything less — just for sitting their can down and not opening their mouth. When we were trying to get rid of the court-appointed monitors over our union, we counted twenty-six lawyers in the courtroom at one time, and we were paying every one of them. Three quarters of them were fighting us, and we still had to pay them. The monitorship cost us three and a half million, and practically all of it went for lawyers.”

The convention opened the door for even bigger lawyer bills in the future. It approved a constitutional change under which the union treasury will serve as a legal aid fund for any Teamster officials who need lawyers to keep them out of jail. But Hoffa is careful to let the rank and file know that the union’s wealth can help them as well as their leaders. His aides delight in telling how he cracked down on a Detroit bank which had rejected the application of a member of Hoffa’s own local for a \$500 personal loan.

The day after the member told Hoffa he had been turned down, the union head withdrew several hundred thousand dollars the union had on deposit in the bank. When the bank president telephoned to find out why, Hoffa snapped: “If our members aren’t good enough for you, you’re not good enough for us.” Stories of that kind help account for Hoffa’s invulnerability to outside pressure for his dislodgment. If he has a guiding principle, it is that unionism is a business whose officers are hired to sell their members’ labor “at the highest buck we can get.” Fundamental in such a concept is the notion that no one has a valid right to criticize the leaders so long as the “union business” keeps delivering regular dividends in fatter pay envelopes and in other benefits.

THE AUSTERITY OF WALTER REUTHER

This cash-register estimate of unionism gets no welcome in Walter Reuther’s United Auto Workers. It is an article of faith with Reuther and the men around him that unions must serve as instruments for basic community improvement, not as mere mirrors of the marketplace. “If I thought my

job was to get the most I could for a selfish economic pressure group, without concern for the public welfare, I would get on the other side, where I could get more for my services,” the UAW president declares. “My interests simply do not lie in that direction.”

Reuther’s own salary of \$24,040 is less than one third the Hoffa standard, and he is so scrupulous in differentiating between the part of his traveling expenses the union should pay and the part he should pay that he jolted McClellan committee accountants who studied the UAW books after they had tried for two years to unscramble the bizarre financial maneuvers of the Teamster high command.

Men accustomed to hearing that Beck had made a profit on the sale of land for the \$5 million marble-and-glass palace he built for the union in Washington, or that Hoffa had received a paper bag containing \$25,000 in cash as a loan from a grateful subordinate, learned that it was Reuther’s practice to deduct from the travel bill he submitted to the UAW a \$1.50 charge for having his suit pressed in a hotel.

Emil Mazey, the auto union’s secretary-treasurer, says its officers’ salaries and expense allowances are the lowest for any top union. This reflects a conviction that union leaders lose their perspective when their earnings get too remote from those of the men and women for whom they speak. Mazey’s annual pay is \$19,669 a year, and the four international vice presidents get \$18,030 each. In the Teamsters, the going rate for organizers is \$20,000, and for executive board members, \$25,000 to \$50,000.

UAW officers and staff representatives get a basic expense allowance of \$35 a week, plus \$8.00 a day for meals and other costs when they travel on union assignments. Reuther carries the austerity theme to the selection of automobiles the union rents for staff use. Cadillacs and other luxury makes are out; his own leased cars for this year are an Oldsmobile and a Rambler. Hoffa decrees Cadillacs for his business agents as a badge of opulence fitting to their station, but recently he has taken to driving a Chevrolet Impala because he finds it much easier to pilot through traffic.

The assets of the UAW are administered with a conservatism far greater than that exercised by the investment counselors for universities or churches. The union has a net worth of \$55 million and a strike fund of \$37 million, but its officers never have deluded themselves with the thought that this provides them with a margin for speculating in the stock exchange or buying high-risk real estate. They are mindful of the necessity for security and liquidity of capital in an industry where strike calls take a quarter of a million work-

ers away from their jobs in a single Big Three walkout. Even the brief tie-ups the union conducted against General Motors and Ford last year drained more than \$6 million from its strike reserves.

The bulk of the UAW money is in federal bonds, government-insured savings and loans securities, and interest-bearing bank deposits. The union holds a share or two of common stock in three hundred automotive and aircraft companies, simply as a device for ensuring that it will receive all the earnings reports the companies send their stockholders and for enabling the union to ask for the floor at annual meetings if it wants to make its voice heard on matters affecting the companies' unionized workers. The total value of the union stock holdings was \$21,817 at the end of last year.

The one element of venturesomeness in the UAW financial policy is in putting part of its resources in projects that the union considers constructive from a social standpoint. Its last convention authorized a \$4 million mortgage loan from the strike fund to build an annex and two new clinics at the Metropolitan Hospital in Detroit. The project is an outgrowth of the union's sponsorship of the Community Health Association, a comprehensive health and hospital insurance program for families in the motors capital. The union also is planning to use some of its funds to set up a pioneering staff training college, with its campus on the grounds of Solidarity House, the \$6 million UAW headquarters in Detroit.

The union's greatest unhappiness in the financial field is its extremely limited success in getting any of the \$1.7 billion in automobile-industry pension reserves channeled into undertakings with an affirmative social purpose. In the trucking industry, pension funds are jointly administered, and the employer trustees are seldom disposed to quarrel with the proposals of Hoffa or other union spokesmen. But control over investment of the auto pension money is solely the province of management or of the banks management chooses.

Reuther complained before the last round of contract bargaining got under way in 1961 that the companies were concentrating on investments in luxury apartments and office buildings and ignoring the desirability of helping to provide improved housing and other facilities for workers. "It is a matter of simple economic justice and morality that monies belonging to workers should be used to advance their interests and to build better communities for them and their families, and not to serve the interests of people who have no equity in the pension funds," the union head declared.

The first breakthrough came in June, when the Chase Manhattan Bank of New York, as trustee

for the Ford pension plan, agreed to lend \$1.2 million to finance the construction of eighty-five single-family homes in a low-rent development near a Ford assembly plant at Milpitas, California. The union is trying hard to encourage more such investments, but the receptivity of the companies is meager. Continued coldness may prompt a drive by the union, in its 1964 negotiations, for joint direction of the pension funds.

Reuther is satisfied that the union's ascent toward affluence has not stripped it of its sense of mission. "We have retained our essential idealism," he says, "but I will not pretend it has always been easy. You have to work at it. Ideals get tarnished quick under the corrosion of material prosperity."

To make sure that the UAW will not drift toward corruption or autocratic rule, the Reuther union has reinforced its own self-policing machinery by creating a public review board of distinguished clergymen, educators, jurists, and arbitrators to act as watchdog over breaches of morals, ethics, and internal democracy. Any aggrieved rank-and-filer may appeal to the board if he feels the union has wandered from the path of justice or high ethical performance.

Reuther's general belief that too many labor leaders ape the Lucullan appetites he associates with success in business or finance has not endeared him to his AFL-CIO colleagues. Nothing has been more symbolic of decadence in Reuther's eyes than the long-established custom of having labor's top officials hold their midwinter council meeting in a swank Florida hotel.

As president of the CIO, he almost torpedoed the 1955 merger negotiations with the AFL by balking at Miami Beach as the assembly place for the peace committees. When the federation's insistence compelled him to yield, he showed his irritation at this compromise with mammon by flying all night in a coach plane and by canceling the suite that had been reserved for him at an oceanfront spa. Instead, he shared a double bedroom with an aide and rushed off to Washington less than an hour after the unity meeting ended.

In subsequent years he made the annual pilgrimage to Florida with undisguised unhappiness. He stayed at motels to save two or three dollars a day in room rent, brought in his own breakfast oranges and cereal, never went swimming, and departed before the sessions were over. Each year he renewed his argument that it was not seemly to gather in Miami Beach; the nearest he came to establishing his point was an occasional decision to switch to equally posh surroundings in Puerto Rico. When he wound up one plea by asking, "What do we want to do — live as well as the big interests?", Harry C. Bates of the Bricklayers

Union responded with a brisk, "Sure." By now Reuther has stopped fighting. The special hotel rates the federation gets make the cost of meeting under the winter sun only a little higher than it would be in Washington, New York, or Chicago.

THE PRUDENCE OF DUBINSKY

At the December convention in Miami's Americana Hotel, Mrs. Reuther and David Dubinsky of the International Ladies Garment Workers Union sat together at a dinner for Asian and African labor delegates and discussed the changes money had made in unions and their practices.

"In the old days we had to pay for our gains with our blood and our lives," Dubinsky observed. "Of course, we had no problem about our officials' stealing, there was nothing to steal. Now that we have money, we have problems. But it is better to have the money with the problems than to go back to the old days. Money has given us opportunities we never had before, to do good things not just for our own members but for the country and the world."

As head of a union born in the sweatshops of the lower East Side at the beginning of this century, and now the custodian of \$425 million in treasury and trust funds, Dubinsky could cite abundant support for his judgment. In the last twenty years the ILGWU has distributed \$32 million in contributions to labor, liberal, and charitable causes all over the world. It has used much of its wealth to build cooperative housing, health centers, luxurious summer resorts for workers, and many community projects.

In the fortnight before the convention, Dubinsky had conferred with a delegation of mayors from distressed coal centers in Pennsylvania on mortgage loans to put up housing in their communities. He had helped lay the cornerstone at a new building of the Fashion Institute of Technology, toward which the union had given \$75,000. He said farewell to six garment workers from Nigeria, Tanganyika, Kenya, and Rhodesia who had just completed a half year in an ILGWU-financed study course designed to equip them for union leadership in their home countries. And he had taken the lead in a broadening of the garment union's investment policy to permit the placement of \$25 million a year in government-guaranteed notes to help small farmers modernize their farms, and thus avoid extinction by the huge factories that are bringing automation to agriculture at a breathtaking pace.

The ILGWU, in common with most unions, shies away from direct involvement in corporate ownership. It did build a \$46,000 garment factory in Virginia several years ago to provide jobs for

union members stranded by an unsuccessful strike against a runaway New York shop. After two unionized employers had tried with scant success to make a go of the plant, it was sold to a third at a small loss.

In 1959 the Hatters Union invested \$300,000 in a rescue operation that kept alive the century-old Merrimac Hat Company in Amesbury, Massachusetts, and saved the jobs of its 325 employees. The union became majority stockholder, took over six of the nine directorships, increased sales, and has shown a profit every year. The ticklish task of negotiating union contracts with itself has been handled with little sense of ambivalence by retaining the old president and all other members of the supervisory team and leaving the bargaining responsibility in their hands.

One innovation, in what Alex Rose, president of the parent union, calls an example of "private enterprise plus," has been the establishment of a system of wage dividends under which the Merrimac workers get a cut of the profits after provision has been made for regular stock dividends and specified corporate reserves. There have been a few complaints from importers and rival manufacturers, who contend that the union-owned plant gets an unfair break on its labor costs and that the union uses its economic power to give its products a preferred sales position, but the union ridicules such charges. "There has been no change in the company's operations or management, only a change in motivation," Rose says. "We have not made spectacular profits because we have never been interested in that as an end. Our only idea is to keep the company going so jobs will be preserved."

The most graphic demonstration of the complexities that arise when labor leaders double as industrial owners has been provided by John L. Lewis of the United Mine Workers, whose switch from scourge of the coal operators to chief defender of the industry in its battle for survival against the inroads of oil and natural gas has created nearly as many headaches as it has cured.

The mine union, rich in money but poor in members as a result of the squeeze-out of 500,000 coal diggers by mechanization in the last forty years, has invested \$70 million in coal companies, coal-carrying railroads, coal-burning public utilities, and other corporate enterprises. Lewis, whose approach was once the signal for all protectors of property to leap to the barricades, now controls the National Bank of Washington, with resources just short of a third of a billion dollars.

One result of all the envelopment in high finance has been the union's conviction in a federal district court in Knoxville, Tennessee, last May on charges of violating the antitrust laws. The union

was found guilty of conspiring with big producers to monopolize the industry and force marginal operators out of business. Its defense was that all it had done was to promote the unionization of nonunion mines and safeguard union wage and welfare standards. It hopes the higher courts will sustain that view. But the record of the use of union money to benefit some operators at the expense of others, to protect some jobs and wipe out others, to accelerate a technological change that multiplies royalty payments to the union welfare fund at the same time that it throws on the industrial scrap heap the men the fund is supposed to shield will continue to raise perplexing questions on union practice, whatever the ultimate outcome of the court appeals.

POLITICAL CONTRIBUTIONS

Money has given labor a louder voice in politics, although it contends that its political spending is petty cash in comparison with that of industrial fat cats. Official reports filed with Congress by sixty labor committees showed \$2,450,000 spent in the 1960 presidential campaign, most of it to back Kennedy and other Democratic candidates. However, this listing leaves out many items of political outlay that unions are not required to report. One AFL-CIO vice president estimates that the total for the 1960 national, state, and local elections came to well over \$5 million.

How much this spending has increased labor's ability to get the people it wants elected or to influence public policy after elections remains an open question. Incontestably, the place where labor's political participation has been most meaningful has been in taking over the job Democratic party machines once did of getting workers and their families to register and vote. With the decline of the big-city party organizations, unions are now by all odds the most dependable mechanism for swelling registration. The other great campaign value unions have is their ability to muster crowds for political rallies and to answer on short notice pleas for money needed in a hurry to meet an unanticipated campaign crisis.

The variety of other ways in which unions use their funds defies orderly presentation outside an encyclopedia. Unions in Sierra Leone get a typewriter, courtesy of AFL-CIO affiliates in this country. A Catholic labor school in New Delhi receives a \$5000 gift. The federation has raised most of a million-dollar contribution to the Eleanor Roosevelt Cancer Foundation. In the needle-trades industries, from millinery through furs, and in the glass-container industry, unions have given hundreds of thousands of dollars to

advertising campaigns in support of the products their employers make.

For many union chiefs, the worry about affluence is less over the danger that investments will get them too deeply enmeshed in running industry than over the debilitating effect the management of millions of dollars may have on their own ability to identify with their members' problems.

George Meany has made it clear that he believes unionism evaporates when labor leaders become excessively enamored of their role as bankers, businessmen, or stock manipulators. Making money becomes more important than how it is made, and greed takes precedence over service to the rank and file. This is not to imply that there is any correspondence between a union's susceptibility to venality and the amount of money it has. Some of the worst abuses exposed by the Senate investigators were in tiny organizations with slim treasuries. Those who want to sell out their members can always find ways to turn a dishonest dollar.

Labor's experience in the two years since the Landrum-Griffin Act created a special fidelity bonding requirement for all union fiscal officers indicates that sticky fingers present a minor problem. Reports submitted to the AFL-CIO by eighty-two international unions showed that claimed losses averaged 10 percent or less of premiums paid to the bonding companies. Not one claim stemmed from embezzlement by union officials — this in a period when banks reported embezzlements by their executives or employees totaling more than \$20 million. The result was a decision by the Surety Association of America to cut in half the surcharge on faithful performance bonds for unionists. The premium rate for bank fidelity bonds went up.

The most trustworthy defense against corruption lies in leaders who remember that unions exist to serve their members and that the accumulation of union funds has point only if it advances their well-being. In our mass industrial society, with its enormous concentrations of corporate and governmental power, funds are essential for survival and for service. They can be administered in ways that are businesslike, without turning unions themselves into caricatures of business.

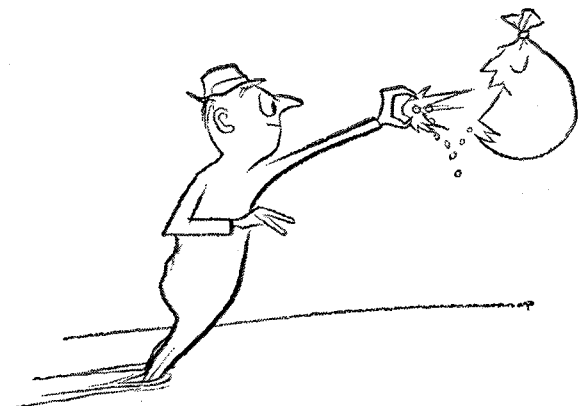
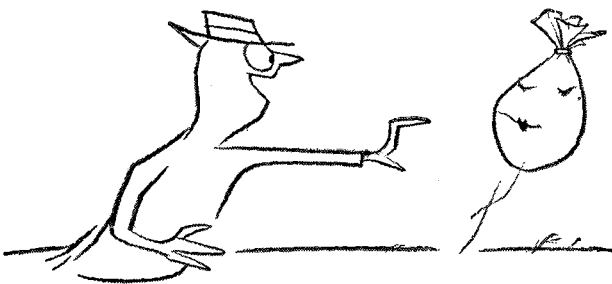
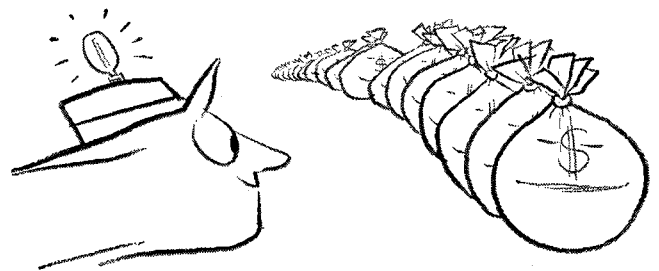
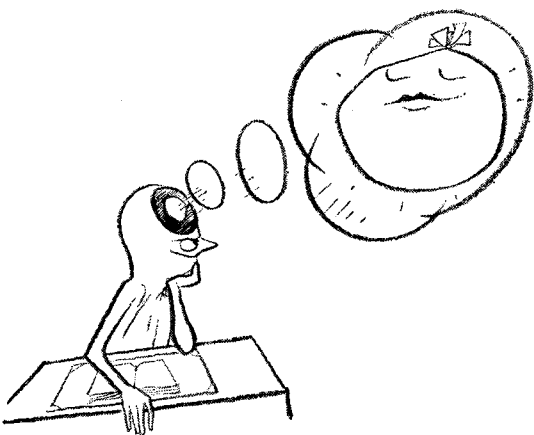
It is neither necessary nor fair to expect the men who govern union money to take a monastic vow of poverty to prove their dedication. What does require vigilance is that they not surrender to the idea that power, public acclaim, and soft living are the important things. The union is still the men and women who comprise it; the official has value only to the extent that he represents them faithfully and well.

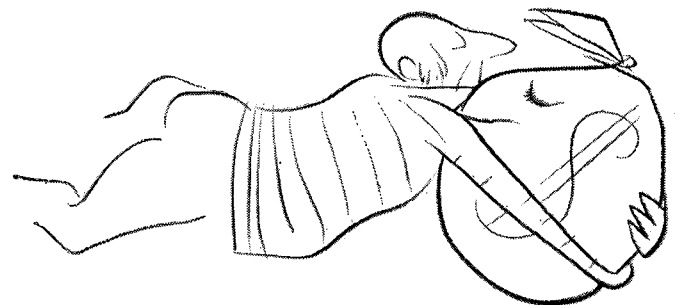
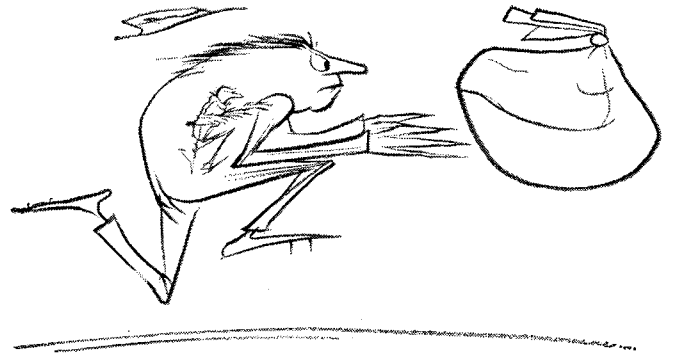
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Cupidity

a hectic view by Osborn





SALLY ISELIN

How Women Spend

A Bostonian by birth and training, the daughter of the late Charles P. Curtis, SALLY ISELIN married a well-known New York sculptor and went to live in Manhattan, where she discovered that the women enjoy spending money with no thought of Yankee frugality.

MOST women think that when they spend money, they are saving it. They have to buy so many staples that they try to buy them when they are on sale. These sales often occur when the housewife can least afford them, but she is almost certain to buy anyway. The habitual auction-goer finds it difficult to resist a bargain. If she goes often enough, she becomes quite an expert, thinks she knows as much as any dealer, and will excuse the purchase of a chair which she does not need or want by saying, "I've saved two hundred dollars."

Women "save" this way in Paris just as they do in New York. The Parisienne has been trained to haggle over prices of everything, even her new clothes, and she would never pay the asking price. A saleswoman at the House of Dior told me a year ago that Frenchwomen who said that they paid far less than any Americans were simply not telling the truth. They pretend to their husbands, who generally pay their clothes bills, that they have been given a bargain. The wily ones then pay a small percent in cash out of their house allowances, leaving the remainder to be paid by the husbands. American women are not so devious. Nor do they have so much opportunity to haggle, because of our standardized prices. However, they are just as anxious to save and often get carried away into expenditures which would make a certified public accountant blanch.

Living in Manhattan, as I do, I am subject to temptation more than if I were living in the suburbs. I do not have to make an excursion by car to shop. By walking down any avenue and many side streets, I can spend money very quickly. The result, I am told, is that I am less gullible than the average suburban wife. Otherwise, I behave in much the same way. Here is a composite picture of what I call a typical "saving" and servicing day.

On my way out of the house, around ten, I noticed that one of the two big poodles looked shabby, the other, sick. So I took them with me. One was deposited with the clipper, who complained because I had not brought the dog to her earlier in the day, repeating her usual remark that it takes her all day "to do a good job." I quickly made sure that she was not going to charge more than the usual \$12. She replied that she now charged \$24, as opposed to ten years ago, when she first did our poodles, but she agreed unwillingly to do the job for \$12. I thought to myself how fortunate it was that we had been taking the dogs to her for ten years, thus "saving" \$12. The other dog was left at the vet's, with whom I did not haggle. He charged \$3.00, not including pills. This particular dog illness was not expensive, but it could cost over \$50. Poodles are very expensive, not only because one buys them for \$200, but because they seem to pick up every virus.

After disposing of the dogs, I took a taxi, for a dollar, to the bank, where, if I had known what I was going to do that afternoon, I would have cashed a check for \$75 rather than \$25. I stopped in at an antique-repair store called the Antiques and Restoration Center. I had inherited an Early American side table in very bad shape. To fix it quite well, without spending a great deal of money on its finish, cost \$125. I tried to haggle by remarking that my grandmother had never pointed it out to me as being a very good example, and asked whether it was worth repairing. The reply was that American furniture of all types had gone up in value since my grandmother's time. This piece was probably worth \$500. Hoping that this was true, I agreed to have it fixed. Certainly, it was worthless in its wobbly state.

While walking down the street I spotted a Brie cheese, "running" in true French fashion, in a window, and bought a slice, which cost the shocking amount of \$1.25. To make it worthwhile for the store to deliver, I ordered some canned soups, which would be eaten during the year. Then I stopped off at Bloomingdale's and bought \$100 worth of paper supplies. By buying a hundred rolls of each type, I "saved" \$3.05 per type. It was now time to lunch with a friend from Paris, and I took another dollar taxi ride to her hotel.

BARGAIN HUNTING

There were three at lunch besides myself: my friend, a Greek friend of hers who had just come to live in New York, and an American friend who has three children and a house with two tenants, who depend on her for most repairs and for attending to catastrophes. She also has a full-time job. Conversation was rather disjointed. The Greek woman was distressed because the sheets she had ordered through a decorator had not come. We suggested renting them for a week, and explained it cost about \$1.25. She was horrified at the idea of renting linen. The American discussed her various expenses: \$250 a year for piano lessons for one daughter, \$70 for dancing class, \$12 for a relief nurse one day a week. My Paris friend had seen two advertisements for copies of the same Dior knitted hat and suggested we go look at them during the afternoon. She also thanked me for sending her to Ohrbach's for copies of French clothes. She had taken there the wife of a French diplomat who had bought six or seven things to take back to Paris. "If she changes the buttons and the linings, they will look like the originals." Europeans go to endless trouble to achieve the perfect effect. Americans, who are not so accustomed to expensive buttons, are likely to put up with what they buy.

It was just as well that we had a French lunch, because my Paris friend had quite a strenuous shopping tour planned. It was not that we bought a great deal; we just covered a lot of ground. First we looked at the copies of the Dior hats, which had collars to match. They were being sold for about \$15 a set in two department stores on Fifth Avenue. My friend decided after some thought and much fingering that they would not compare favorably with the original in Paris because of the machine stitching. I bought one, knowing that it would be most unlikely that I would meet anyone who would know the difference. On our way in and out of the stores we looked at everything on the counters. Europeans are not accustomed to displays and treat them as if they were art shows.

Our next stop was a visit to a fashionable Fifth Avenue furrier named Georges Kaplan. We viewed the new minks with their rippling dress-maker detail, and also some less expensive furs, of lynx. When we deplored the fact that furs last longer than their styles, the furrier suggested turning them in, as we did with our cars. On an original investment of about \$8000 for a mink coat, perhaps a lynx cape, and a jacket for spring and fall, we were told we should plan to allocate \$2000 a year in order to keep being fashionably befurred. My Paris friend was dumbfounded but remarked that it sounded practical. "How wonderful it would be if we could do that with the *haute couture*!"

Our next objective was S. Klein, the famous bargain store on Union Square. We set off by subway. My friend found the ride thrilling and hoped that she could have the added experience of making the return trip during the rush hour. We toured the store, inspecting every item from children's red party shoes to guest-towel sets made of flowered printed terry cloth. My friend bought enough of the towels to fill her Christmas list and a linen closet at Buckingham Palace. I, who had planned to buy nothing at all, found myself buying a wool blanket of a famous make which cost two thirds of what it would have cost uptown. My friend had brought cash with her, and she marveled at the fact that S. Klein took my check. We ended up on the subway, loaded down with bundles, just in time for the rush hour. After a cup of tea at Rosemarie de Paris, which cost just under a dollar, we separated. By the time I was home, I had worked it out in my mind that we really needed the blanket. A week later I noticed that many of the uptown stores were selling the same blanket at the same price as S. Klein.

KEEPING UP WITH THE JONESES

With few exceptions, American women like to keep up with the Joneses. Those who do not

care about the Joneses want to do more or less (depending on their income) what other women are doing. They buy new blenders, paintings, antiques, and built-in ovens with such inventions as drawers in which humidity cooks the food, so that it can be kept warm and juicy for as long as a day, thus allowing for late guests or a quick trip to the movies. A young doctor who practices in the suburbs said to me a little bitterly, "Some of them care more about their gadgets than they do their babies." An interior decorator friend of mine who is very successful in New York City and I were discussing how much money the very rich spend on their clothes. Finally she said, "Well, at least they outfit themselves only twice a year, and I don't believe they spend more than five thousand dollars each time. What about the women who do over their houses that often?"

I gasped, for I had never heard of such women. I have since discovered that they exist on many income levels. A \$20,000 decorating job is quite routine. Four to five million yards of decorative materials are sold each year by F. Schumacher & Company, New York's biggest firm of its kind.

The suburban wife is perhaps the one who is living under the most pressure from the Joneses. Her parents lived in houses which did not look like all the others and were not open to inspection in the same way the picture-windowed split-levels and ranch-villas are today. One neighbor could not figure out how well another was doing simply by staring at the house across the way. Also, the suburban wife's mother was likely to stay in the same house for her lifetime. She redecorated it perhaps twice; now the suburban wife redecorates whenever her husband gets a promotion. In between times, she keeps up with her neighbors by turning in old gadgets for new ones.

If the suburbanite has no money in the bank, she is tempted to charge. "Charge it, please," has become a slogan of the suburbs, as it has been for years in the cities. A friend who lives in a big development near Philadelphia told me of how she offered a neighbor her year-old stroller which her child had outgrown. The offer was refused because the neighbor's husband would not approve. "Everyone would *know* it was not new," because it would be seen outside the house. This is supposed to be the reason for the huge sales of barbecue equipment. It, too, is seen outside the house.

Almost as soon as she is settled, the suburbanite and her husband start thinking about landscaping. If her neighbors have trees and shrubs and a lawn, she wants them too. A lawn has become a must for the suburbanite. So the owner of a \$75,000 home will spend about \$7500 on foundation planting and about \$1000 for upkeep an-

nually. Along with the lawn comes the power lawn mower. On smaller places, with but half an acre, let us say, the upkeep is \$200. If the wife runs out of ideas on gardening, there are myriad seed salesmen and stores to help her. The Long Island wife also can look for gardening ideas by visiting the big old country places now open to the public, such as the old Phipps estate, which has several types of gardens.

Besides a lawn — perhaps on it — she will want to have a swimming pool, even if she lives near the ocean. These used to cost around \$10,000 and needed constant attention to keep them free of falling leaves and murky slime. They had to be refilled frequently. Nowadays, they cost between \$2000 and \$5000 and are made of pressed concrete, gunite, and fiber glass. With vinyl linings (called "liners"), electric filters, and underwater vacuum cleaners, they are easier to keep clean. The newest chemical powders, which are put into the water each day, are guaranteed not to destroy the color of one's hair or one's bathing suit. For those worried about the safety of their children, there is a \$1500 gadget, an aluminum platform which can be raised or lowered to the desired height, or even tipped at an angle for all ages of swimmers. It can also be used as a cover or a dance floor. There are some 240,000 private pools across the country.

The average suburban wife drives as much as fifty miles a day, taking her children to school, going to market, picking up her husband at the station, and so forth. One friend told me that the most restful, happy time she had last year was during the ten days that the car was in the repair shop. "I didn't have to do anything but stay home and read a book." It is difficult to say what kind of car the suburbanite drives. There are not any known facts about the subject, probably because her husband takes charge of the purchases. However, it is known that her dream is a Thunderbird or a Mercedes-Benz or a Jaguar.

KITCHENS

There is one place where the suburbanite and the city dweller will get together happily, and that is in the kitchen. It has become very fashionable to get new kitchens, even if the one you have is perfectly adequate. The October issue of *House Beautiful* gave forty pages to kitchens of such splendor that I could not help but cast a critical eye on my own "perfectly adequate" one. There were kitchens in the round and "living room" kitchens with paneling of different types, including Formica. All were furnished with built-in everything, including toasters which do buns as well as bread and a turnaround for mixers of various



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andy Warhol

By Art Kane

"Andy Warhol is no 20th century stainless steel, antibiotic, blast-off personality. I think of Andy as a Greek from the 4th century B.C. He's as classic as the gold paint he prefers to use. And first I thought of photographing him as a gold head. But as the gold make-up at the neckline met the skintone of his chest, I saw the whole Andy revealed. Here, stands Andy, a Greek sculpture, an ancient in an atomic world."

art kane

By Andy Warhol

"I think of Art Kane as being strong, say, like a pumpkin sun in a blue sky. Like the sun, Art beams his eye straight at his subject, and what he sees, he pictures—and it's usually a dramatic interpretation of personality. And so, I decided to draw his face with directness because Art himself is so direct. But instead of making a giant face, or even just a big face, I thought it would be marvelous, just for fun, to make a smaller face."

Through photography, Art Kane has revealed the true spirit of Andy Warhol. With illustration, Warhol has captured an image of Kane. And here, both works are faithfully reproduced in thought and style on Champion Papers Wedgwood® Coated Offset Embossed.

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Warhol

types. A built-in grill which heats ceramic briquettes by gas is popular. "Much cleaner," I was told. The briquettes look like any other briquettes when hot; when cold, like unborn guinea pigs, of an unappetizing pink color. You can spend from \$2000 to \$30,000 on a new kitchen. Most people install them with the help of an architect, and after looking at a list of the outlets necessary, I thought it would be wise.

It took some time for the kitchen craze to come to New York. Now, with many apartment houses turning cooperative, it is worthwhile to put in one's own kitchen furniture. One woman who recently did over a house, who is most unlikely to darken the door of her kitchen, became so enthusiastic about the planning of her \$20,000 one that she brought her husband along for the final item-by-item review. The salesman described him as "bored, standing first on one foot and then on the other" for two and a half hours. Despite his bored looks, it turned out that he, too, became infected with kitchen-mania, because he later ordered not one, but two smaller kitchens for his office.

House Beautiful also mentioned increasing use of a second kitchen. A friend of mine installed one in her already well-kitchened house in New York City. She had bought the antique paneling and fixings in France. She uses it when she is dining alone or with a friend or two and does not want to eat in the big dining room. When I first saw it, it seemed to me the height of extravagance. However, it appears she started a new way of spending money, or perhaps her servants did, because they did not want their routine interrupted by the mistress of the household. Besides the woman who wants to have her own kitchen, there are many who want to keep the family out of the main one. Second kitchens are being inserted in nurseries, game rooms, and workshops. With built-in cabinets and oven, you would never know you were in a kitchen at all.

CLOTHES

Let us assume that Mrs. Gotrocks suddenly has \$50,000 or more a year to spend, and she has moved to the city. (She has a house in Easthampton, where she goes on weekends.) Today's city dwellers have certain things in common with the Gotrockses. They are fully aware of what is tax-deductible. They use more nylons than they should, despite frequently manicured hands. They profess to do a lot for charity, and many do, either by simply going to tax-deductible balls or working at fund raising. They have curious quirks, such as that of a friend of mine who has her Mercedes-Benz washed in a drive-in gas station while she waits because it costs less than at her garage. An-

other who owns paintings valued in the millions saves enough to buy a drawing by lunching at Chock Full O'Nuts rather than at the Côte Basque. These women are likely to be the first to find such things as 29-cent combs at the ten-cent store which are "exactly like those used by Monsieur Alexandre." They are persecuted with requests for money from charities and sponging friends. They are under constant temptation to buy expensive clothes and jewels, but do not readily admit they buy them because they would find it difficult to refuse the ninety-ninth request for charity if they did.

They may keep their expensive clothes in the background — particularly those worn in the street — but they do buy them. Women used to this kind of wardrobe are as irritated with clothes which do not fit well as most people would be wearing an itchy sweater. The conservative Mrs. Gotrocks would like to go to Mainbocher, an American designer with Parisian training who has a small salon on Fifth Avenue. She would like to be painted by Simon Elwes, a British portrait painter who gets as much as \$5000 for doing women in their favorite setting, surrounded by family, pets, and bibelots. She is very much concerned with looking like a lady, and a rather vacuous one at that. John Singer Sargent's subjects had far more swish than she has. American women have an obsession with looking like ladies. The rich Parisiennes of any age never give this a thought and enjoy their *haute couture* with all its derring-do.

Mainbocher's clientele is "*très snob*"; in fact, it is a sort of club. The members who buy regularly like to fade into self-imposed obscurity. They also take pride in the lasting quality of their clothes and boast of wearing them year after year. They like his skirts, which are cut wide enough to let them stride. Americans, incidentally, demand widely cut straight skirts. The French like them cut tightly, even if it is difficult to sit down or walk in them. Mainbocher customers also like his suits, which have printed blouses and linings to match. One of these outfits with blouse costs about \$1300; without blouse, about \$900. It has become a kind of daytime uniform and has been copied in many price ranges. The woman who likes his clothes is the same type who thirty years ago would have bought a good English suit.

The Mainbocher club members are apt to look askance at the woman who plays Paris. I am using the word "play" because it is a bit of a gamble. To win you have to play reasonably well. The styles change twice a year, and you have to use your head about buying a dress that cannot be worn or done over the following year. The Paris enthusiasts usually enjoy the hazards

If they lose, they give the dress to a fashion library, such as that at the Metropolitan Museum or the Brooklyn Museum. The gift is tax-deductible, and even if the dress is out of style, it will be valued at almost what you paid for it because of the label and the design. Others sell their clothes to the chic secondhand stores on Madison Avenue. These do a thriving business with people like Mrs. Gotrocks who cannot afford to have such dresses made for them. There are a number of ways to buy Paris clothes. The best way is to go to Paris in person. Prices are half as much as at Mainbocher, the workmanship is just as good, and there is more variety, but it costs money to get there. Those who cannot go abroad go to Chez Ninon, which acts as middleman for all those who like to play Paris in the United States. The prices are slightly lower than Mainbocher's. St-Maur is a dressmaker whose copies make a happy splash. If you have only \$50 to \$200 to spend, you go to Ohrbach's. Along with a clientele of young marrieds and stenographers, Ohrbach's also has some of the Chez Ninon customers who are feeling the pinch of their children's tuition bills.

In the normal course of events, these women buy clothes twice a year. A good customer will buy three or four things. She used to buy six or eight, but other interests, such as art, have bitten into her budget. If a special occasion demands it, she will buy more. One woman was said to have spent \$4000 for a gold-embroidered Dior to wear to the April in Paris Ball last fall. This is the most glittery of all charity affairs in New York. Tickets cost \$150 a person. It is safe to assume that many of the dresses cost \$1000 and more. A fashion show was presented, and the clothes which were shown were auctioned off for charity. Everything but the dresses being worn was tax-deductible.

Of course, there are a good many women who do not care for either Mainbocher or Paris. One such was reported in a society column as having bought a \$10,000 Florence Lustig dress especially designed to wear doing the twist. Miss Lustig, who runs a group of eight stores located in the more expensive parts of Florida, explained its cost by describing the complications of the dress's crystal beads, which were placed to go with the twist. She added that the price is not extraordinary for her clients. Many of them spend \$5000 without worrying. When I commented that one could buy a mink coat for that amount of money, she replied, "My clients already have them." She also does a big business in embroidered shrugs, which range in price between \$90 and \$1500.

Another uninhibited type is the young beatnik. Beatnik tights, slacks, and turtle-neck sweaters can be bought as easily at Bergdorf Goodman as in the stores in Greenwich Village. Chic beatniks buy

surrealistically shaped jewelry designed by Sam Kramer, also in the Village. His prices range from \$15 to \$400, and his jewelry is studded with all types of things, from glass eyes to onyxes.

The more conventional clothes now cost about 8 percent of the consumer dollar, as opposed to 12 percent in 1957. One explanation for this drop is that women are more interested in spending money on things and activities connected with so-called "togetherness." It may be that the wife would prefer, let us say, an expensive camera or a snappy outboard-motor boat or a power saw for her husband. It may also be that, because of togetherness, she has little opportunity to wear good clothes. It is interesting to note that the figure of 8 percent applies to the woman with \$50,000 a year as well as to the one with a great deal less. The average sum spent by the made-to-order types in New York or Paris is \$4000.

LONERS

The Madame Gotrockses living alone have a better time than they did fifty years ago. In those days, they were likely to be either old maids or widows, and in between those two categories were the Lucy Stoners or Hetty Greens, or backstreeters. Today many more widows are inheriting capital outright because of favorable taxation, and because of their husbands' confidence in them as a result of their advanced education. Of course, the days of the lone operator à la Hetty Green are over. Nowadays rich widows (and divorcées and old maids) are surrounded with bankers, lawyers, and brokers who see to their affairs. If they are under fifty, they are likely to enjoy themselves more than their married sisters. Financial independence and lack of family responsibility lead to a gay life. Some go on safaris in Africa, others to Saint-Moritz in the right season. Nearly all of them, when they stay in their home cities, lead much the same kind of life as do their friends who are career girls.

The older newly widowed ones follow a staid pattern. After a couple of months of wearing black, they are likely to visit their skin doctor and consult him about plastic surgery. This type of surgery will cost them between \$500 and \$5000, perhaps as much as \$20,000. If her face is lifted (there is a certain risk it will not be), the widow buys herself new clothes and furs and goes on a world cruise. Half the passenger reservations on long cruises are made by single women. The widow's objective may or may not be remarriage. What she usually wants to do is to escape the gloom at home and to make new friends, at the same time viewing the Taj Mahal or the Angkor Wat. She also certainly hopes for passing adven-

tures not quite as exciting as those administered by Nicholas Monsarrat's "nylon pirates."

On return home the widow begins a new life, surrounded by sycophants of varying charms. If she is intelligent, she will take up art collecting on a big scale. Owning a \$100,000 Braque or Renoir, or several of them, will put her in the top echelons of so-called society; it will also introduce her to the art world of other countries. These women buy jewelry for investment as well as pleasure. Comparatively few with this kind of money remarry. Why should they relinquish their newly acquired widow's control or their alimony and full lives by taking on elderly failures as husbands?

RECREATION

Young Europeans admire the ways of the suburban wife, her sports clothes, and her recreations. One of the newest and biggest of these is bowling. The season begins about two weeks after the children go back to school. Bowling alleys used to be rather saloonlike, but since World War II they have mushroomed from four-lane to forty-lane affairs all over Europe and in the United States. They serve as a country club where you can have lunch or dinner as well as play. Many women belong to clubs. They have their own balls, which cost about \$25, and shoes with special soles, and they take playing very seriously, with the season ending in tournament play. It costs about \$2.00 a session. There are nearly two million women bowlers.

Another recreation is dog school. Pedigreed-dog sales have skyrocketed. Some \$26 million was spent on dogs last year, and the major portion was spent by women. This is a sport which can be enjoyed with the family. It costs about \$25 for a seven-lesson course in training your dog, about \$40 for the dog to take the course by himself. Living in suburbia is dangerous for dogs. A well-trained dog stays in his pen on the lawn until he is taken for a walk on a leash.

If she lives near the ocean, the wife may own an outboard-motor boat. Inventions such as electric starters and perfected motors and fiber glass hulls have taken the grease and grind out of operating them. An average 1961 model costs about \$2500. Many women use them to get out to lunch.

Another sport which has grown since the end of World War II is skiing. There are about 3,500,000 skiers in this country. Since skiing has become a family sport, a great many Mrs. Gotrocks do it whether they like it or not. And even if they do not like it, they usually buy the necessary equipment because of the safety angles. The New York

City Mrs. Gotrocks will go to Sig Buchmayr on East 53rd Street, where she will spend about \$650 for the minimum amount of equipment needed for a typical ski resort. She will get Head skis for \$98.50; Munich Bogner stretch pants, which come in every color and pattern, for about \$52.50; a matching stretch parka for about \$40; Rogg boots for \$70; release bindings for \$25; Head poles for the same amount; gloves with Curon linings, which cost around \$10; and many other necessary accessories, such as long underwear, sweaters, rag socks costing \$1.75. For her after-ski life, there are stretch slacks, fifty-dollar sweaters, leather knickers which cost about \$45, to be worn with loud ten-dollar socks, and all types of embroidered parkas and boots. If she is a true glamour puss, she will wear her Kaplan lynx coat in the evening. While on the slopes she will pay \$5.50 a day on the ski tow, \$10 an hour for private lessons. If she has children, she will pay the same for each one of them. Of course, all this equipment can be bought for less money, but Mrs. Gotrocks would regret being thrifty, because she would be tagged as a beginner by the ski snobs she meets on the slopes. One ski enthusiast remarked, "It costs about as much to break one's leg as it does to buy the equipment."

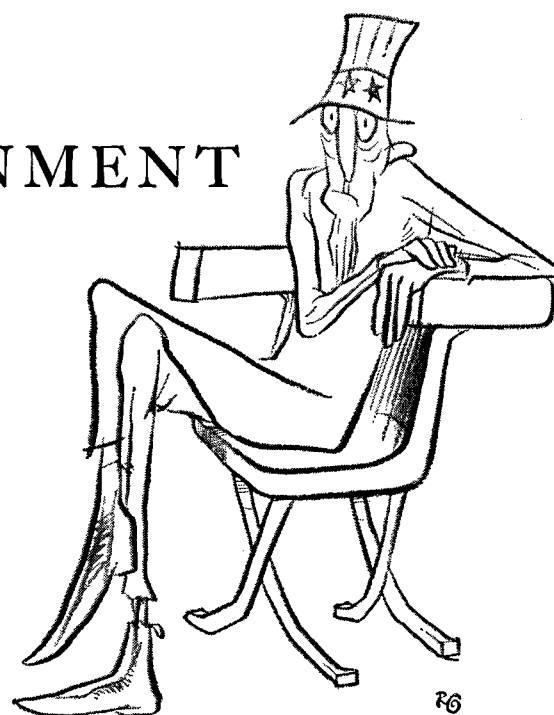
There are many other ways for women to spend money on amusing themselves, both athletically and nonathletically. Those that ride to hounds pay \$3000 or more for a horse and about \$1500 to \$2000 a year to keep him up. The antiquing enthusiasts can spend any amount. One group of women took such a liking to antique Meissen porcelain birds a few years ago that competitive bidding for them unwittingly forced the price up to \$7000 for a first-class bird. There is one dining room in New York which has twenty of them perched on specially built stands attached to the wall.

Many women garden, with rosebushes costing \$3.50 each. Others are amateur photographers, using equipment more suitable for a *Life* photographer than for them, valued at about \$1000. Many take lessons in cooking and languages. Others buy season tickets to concerts and the opera. Not many of them buy classical recordings, however, nor do they often buy yachts or automobiles. These fields seem to belong to men. Of course, there are exceptions; women are capable of buying almost anything which tempts them. One woman well known for her taste in the arts has just bought a *temple d'amour* in Europe which she plans to put up on her country-place lawn. "All my friends are buying air raid shelters, but I am buying a temple," she said.

MONEY and GOVERNMENT

By Francis M. Bator

A member of the economics faculty and the Center for International Studies at Massachusetts Institute of Technology, FRANCIS M. BATOR serves as a consultant both to government agencies and to private corporations. In 1959 he was awarded a Guggenheim Fellowship, and in 1960 his authoritative book THE QUESTION OF GOVERNMENT SPENDING was published by Harper.



AS EVERYONE knows, and many deplore, the government has a great deal to do with money. For example, by levying taxes, government takes a substantial cut of the national income. In 1961, federal taxes alone came to \$97.9 billion. Tax collections by all governments in the United States — federal, state, and local — absorbed \$143.6 billion, 27.6 percent of the income generated in producing the gross national product. In 1958, the last year for which comparable figures are available, taxes as a proportion of the GNP measured 34 percent in West Germany, 32 percent in France, 31 percent in Sweden, 29 percent in Britain, 28 percent in Italy, 23 percent in Canada, 22 percent in Australia, and 16 percent in Spain.

Government is also a big spender of money. In 1961, all levels of government together spent \$149.8 billion, of which \$41.2 billion was accounted for by such cash transfer payments as unemployment and veterans' compensation, pensions under social security, and interest to bondholders. The rest, \$108.6 billion, paid for goods and services bought from business, and the wages of civil servants. Of the total volume of goods and services produced by the United States economy, state and local governments together purchased \$51.4 billion, or 9.9 percent of the GNP. The federal government purchased \$57.2 billion, or 11 percent of the GNP. Eighty-five percent of federal purchases went for national defense. The rest, federal civilian purchases,

amounted to \$8.5 billion and absorbed 1.8 percent of the civilian output of the economy. Civilian purchases by all levels of government absorbed 12.7 percent of the civilian product, less than in 1939 (13.4 percent) but more than in 1929 (7.5 percent).

It is evident that government is in the money business and in it to stay. How should it conduct that business? What rules should govern its power to issue and borrow and lend money and its power to tax and to spend it? What is the proper budgetary and monetary role of government in a society committed to the proposition that the fundamental goal of economic activity is to cater not to some central authority but to the wants, needs, and whims of individual citizens; a society committed also to organizing production and exchange through more or less competitive markets, based on private property and the incentive of profit?

Any generalization about opinions on such complex issues is subject to counterexample and exception. Nevertheless, I think it is fair to say that, since the late 1930s, there has emerged a sharp split between the views about these matters held by the large majority of the interested public, including businessmen, editorial writers, and politicians, and those held by the predominant majority of professional economists.

Consider, for instance, that favorite chestnut of the stump speaker, the national debt. The popular view is that the national debt is the work of the

devil; that the faster it is retired, the better for all of us. Most economists would hold that there is nothing good or bad about the national debt as such, and that debt management, further borrowing, and retiring of debt are instruments to be used, together with spending and taxing, to help achieve such economic goals as high employment, a stable price level, and the desired division of the national output between public and private uses and between consumption and investment.

Or take the related question of interest rates. Some people consider high interest rates and dear money a menace; others vent their anger against cheap money. Most economists would say that exclusive commitment either to cheap money or to dear is wrong. They would argue that government should use its considerable influence on interest rates — an influence it cannot avoid — according to an overall fiscal and monetary strategy designed to achieve the above or similar goals.

Analogous differences separate economists from other people with regard to the proper use of most of the instruments in the fiscal and monetary armory of government: spending, taxes, subsidies. Not that economists agree, for instance, on whether there should be more or less public spending. It is proverbial that they do not. The old story, “Ask two economists a question, and you will get two answers, unless one of them is Mr. Keynes, in which case you will get three,” illustrates a half-truth. However, most of them tend to agree, and to differ with other people, about the broad rules of conduct which should inform the government’s use of these instruments. It is the rules of the game that are at issue.

For illustration, one can do no better than to take the thorny question of balance in the federal budget, an issue of paramount national importance, and the hottest single issue of principle in the area of economic management.

The ideological commitment to budget balance is a powerful force in the land. Does it make sense?

I THINK it safe to infer that most people, if asked their views about the proper rule of conduct for a fiscally responsible government, would answer: “Balance the budget, or, better still, run a surplus and pay off the national debt.” In contrast, a very large majority of economists — including, I would judge, virtually all economists who received their professional graduate training since the late 1930s — hold that whatever may be the case for balance or imbalance in a particular year, the budget-balance rule is misleading and mischievous, bound to result in gross misallocation of resources.

To be sure, the question of what the level of

federal spending and taxing ought to be in a particular year is a matter of legitimate dispute. There is room for technical argument about the exact quantitative effect of budgets on employment, prices, the growth rate, and the like. More important, there would be ground for debate even if economic forecasting were an exact science. Different budgets will have different effects on the balance between private and public use of resources: on the balance between defense and schools, on the one hand, and personal consumables on the other; on consumption today as against investment for consumption in the future; on income distribution — matters which touch on fundamental ethical, social, and political values, about which reasonable men will differ.

The question at issue here, however, is whether the federal budget should be balanced year in and year out as a matter of right. Is budget balance a sound general rule of fiscal conduct?

Anyone who believes, as I do, that it is not — especially if he finds irritating the liturgical quality of the editorial incantations — is tempted to score some debating points. Why, for instance, is annual balance the right rule, not monthly or weekly balance? Or, if it is the impact of government as a whole that matters, why should the *federal* budget be balanced? Should it not be used to offset surpluses and deficits in state and local budgets? Or — and this is an issue of some importance — why, of the three budgets prepared by the federal government, is the “administrative budget” invariably singled out as the budget to be balanced, considering that it excludes some \$25 billion worth of federal trust fund transactions, shows corporate-profit-tax accruals with a half-year lag, and treats loans as though they were expenditures? The difference is not trivial: in the current fiscal year the administrative budget is expected to be in the red by about \$7 billion. The national income accounts budget, which is the most relevant from the point of view of economic impact, will show a deficit of only about \$500 million.

But these are debating points. For the true case against balance, one has to probe deeper.

THE CASE AGAINST BUDGET BALANCE

The view that budget balance is a bad guide rests on the following series of propositions (stated in their boldest form):

1. *Both inflation, a rise in the general level of prices, and recession, a shortfall in the output of the economy relative to potential output, are bad.*

Although it is a question of degree — rapid or sustained inflation and deep or persistent recession are qualitatively more damaging than a slow, in-

termittent upward creep in prices and short, shallow recessions — the point needs little defense. Inflation results in capricious redistribution of income and wealth, and, in increasing proportion to its speed, will blunt the efficiency of the price system in allocating resources according to consumers' tastes. Recession, as evidenced by unemployment in excess of 4 percent of the labor force, involves both the personal tragedy of joblessness and the irredeemable waste of valuable goods and services, as reflected in lost wages and profits. As a consequence of the three recessions since 1953, we have squandered, in the form of idle capacity and idle men, some \$180 billion worth of potential output, an amount equal to about one third of the economy's total output in 1961. And recession, like inflation, leads to arbitrary and damaging changes in the distribution of income. Although everybody except the smart or lucky speculator loses — profit incomes shrink proportionately more than do wage incomes — a large fraction of the loss in wages and salaries is shouldered by the unemployed.

2. *If we are not to suffer either appreciable price inflation or recession, total demand for goods and services must be kept in close balance with the growing potential of the economy to produce them.*

Total demand for goods and services consists of the sum of personal consumption expenditures, private investment spending for plant, buildings, equipment, and inventory, and government purchases of goods and services.

Potential output is the maximum output the economy is capable of producing at an efficient, businesslike level of operation, with unit costs close to their minima, with plants operating at about 95 percent of rated capacity (not 105 percent), with enough slack to avoid persistent bottlenecks, and with the unemployment rate, which is the best single indicator of slack, at about 3.5 to 4 percent (not 2.9 percent, as in 1953, or 5 to 7 percent, as in 1960–1961).

3. *Although a more or less competitive price-market system, based on private property and the incentive of profit, is a potent device for efficiently mediating the allocation of resources among private uses according to consumers' wants, it is not equipped with an automatic balance wheel which will ensure that total demand will remain in phase with potential output, even if all government budgets are kept in balance and the monetary authorities follow the canons of orthodoxy.*

For circumstantial evidence one has only to skim the economic history of capitalist market economies. But, suggestive as it is, the crude evidence about boom and bust is not conclusive. Many argue, for instance, that the fault has lain entirely in clumsy meddling by muddled governments. And, indeed, one cannot deny that only

too often government has been the culprit. There is need for better fiscal and monetary performance.

However, the truth that governments have a black record does not imply that if only they went out of business or were restricted to the maintaining of the jails, financed through annually balanced budgets, then the price mechanism would ensure a close match between demand and potential output. There exist powerful built-in forces in a market economy which tend to generate wide, self-aggravating swings in total demand. Even under the most favorable assumptions of perfect competition, with flexible prices and wage rates, the stabilizers built into a wholly private price-market system could only guarantee that no situation of recession or depression — or, with a fixed supply of money, of price inflation — could persist indefinitely. It is not at all certain that they would ensure tolerably prompt correction of either an inflationary or a deflationary gap between total demand and potential output.

In a modern context, with the prevalence of market control in both labor and product markets, there simply do not exist automatic private market forces which will keep fluctuations within tolerable limits. The fiscal and monetary powers of government represent the only effective anti-body mechanism we possess.

It must not be thought that the apparent invulnerability to serious depression of the United States economy since the war disproves the point. During every one of the post-war recessions we were saved from much more serious trouble by the stabilizing effect of the decline in tax revenues and the increase in social security spending which automatically follow any decline in incomes and rise in unemployment. In 1958, the automatic deficit provided us with a cushion of the order of \$7 billion. It is not pleasant to think about what would have happened if we had obeyed the dictates of ideology and attempted to balance the budget by cutting down on spending, or by raising tax rates as did the government in 1932.

4. *By appropriate variation of taxes, transfer payments, or its own purchases, and by appropriate supplementary use of credit policy, the federal government can substantially limit the swings in total spending and contain within reasonably narrow bounds — narrower than in the recent past — any gap that may occur between total demand and output, on the one hand, and potential output, on the other. In order to do so, however, the federal budget must either periodically show a large deficit, as well as, periodically, a surplus; or, if deficits are ruled out of order or kept within narrow limits, the absolute level of the budget (purchases and matching taxes) will have to be varied by enormous amounts.*

The crude qualitative facts about the workings of fiscal measures are simple. Raising the level of

government purchases will add directly to the flow of total demand. If not offset by taxes, it will give rise also to an equal increase in private incomes, and thereby induce a rise in the private component of total demand. The induced increase in private demand, in turn, will further swell private incomes, and hence cause a still further but smaller rise in private demand. The process of expansion is self-limiting, since on each round of the circular flow of spending → output → income → spending, there will be some leakage into private saving or, unless rates are cut, taxes.

A reduction in taxes or an increase in government transfer payments will not in and of itself add to demand. However, it will raise the level of private after-tax income, and hence induce an increase in private demand. Once again, the first-round increase in private demand will further raise private incomes and cause a still further, smaller rise in private demand. Once again, the process of expansion is self-limiting.

None of this bears any analogy to “pump priming,” strictly defined. The notion that a *one-shot* injection of public spending would suffice to ensure a *sustained* change in the level of total demand is no part of modern economics. It takes a sustained change in the level of spending or taxing (to a new plateau) to cause a sustained larger change in the level of total demand. The leverage is due to the induced secondary increase in private demand.

There is no need to labor the mechanics. The fact is that a gap between total demand and potential output can be offset by a change in the level of government purchases or transfer payments or taxes, or by some mutually reinforcing or even partly countervailing blend of all three kinds of action, combined with reinforcing or partially countervailing monetary measures. Moreover, unless the different instruments are used to defeat each other, the initial fiscal change need only be some fraction of the gap. The secondary induced effects on private demand will make up the difference.

Does it follow from all this that to eliminate a deflationary shortfall of demand we must have a deficit, that surpluses are not only a good thing but have a restraining effect on total demand, and that balanced budgets are neutral?

If so, the case for deficits in recession and surpluses to fight demand inflation would be both strong and clear. However, it is not quite so. Balanced budgets are not neutral, but have an expansionary effect. The effect on total demand, for instance, of a balanced budget with purchases and taxes (less transfers) at an annual rate of \$10 billion will be approximately \$10 billion per year. The \$10 billion worth of pre-tax income generated

by production in response to government orders is all siphoned off by the Treasury, and therefore, private after-tax income and hence *private* spending are not affected. But as long as government purchases and taxes remain at \$10 billion a year, total demand will be \$10 billion higher than if government spending and taxes were zero.

For the same reason, any balanced change in purchases and taxes will cause total demand to change in the same direction and, approximately, by the same amount. (The economist reader will note that I ignore changes in private spending owing to changes in income distribution, and also the effect on investment of the rate of change in the level of income and of changes in interest rates caused by government finance. Quantitatively, such effects will be too small to alter the qualitative conclusions.)

But if balanced increases in the federal budget will add to total demand, and balanced decreases will compress demand, what remains of the case against balance? Why not do honor to “fiscal responsibility” and fight recessions and inflation by balanced changes in spending and taxes?

There are two related reasons. In order to offset a shortfall in total demand by a balanced rise in purchases and taxes, we should have to increase government purchases by approximately the full amount of the shortfall. In general, the smaller the deficit we allow ourselves in recession, the larger will be the increase in government purchases needed to offset a given deficiency in total demand. And the larger the swings in budget levels, the more resources will have to be shifted back and forth between private and government use, for no better cause than that the alternative would be to shift them back and forth from some use into involuntary nonuse.

There is also a second, deeper reason for not accepting the budget-balance rule. Government budgets are not simply a device for securing harmony between total demand and potential supply. The public budget is the principal means for channeling resources to the national defense and to education, public transportation, public health, and basic research. It is also an important means for combating the pockets of primitive poverty in various parts of the country; for helping the old and the sick; and for ensuring, by education, housing, and public health, a greater equality of opportunity for children of equal ability. When we decide on the level of public spending, we are in effect deciding how much of our resources to allocate to these public tasks and how much to leave for private capital formation and the personal consumption of those better able to help themselves.

Inevitably, opinions will differ about what

the balance should be. Inevitably, too, the differences must be compromised by means of political procedures operating through our institutions of representative government. But one thing is plain. The choice should not be made in blind response to variations in total private demand, as it would be if we insist on maintaining the budget in balance.

5. If we responsibly follow modern fiscal doctrine, paying no heed to the balanced-budget rule, we can do much better than we have in the past in avoiding both recession and demand inflation. At the same time we shall be free, within broad limits, to strike whatever balance we desire between public goods and private goods and between current consumption and investment for growth, without foreclosing on questions of income distribution and without in any way weakening our reliance on the price-market system for mediating production and exchange according to private profit and, where private goods are concerned, private choice.

The eminent economist Paul Samuelson has called this doctrine the "neo-classical synthesis" because it combines the deep truths of classical economics, which apply to the scarcity-ridden world of full employment, with what we have learned during the past three decades about recessions and depressions — and inflations. It is perhaps the happiest proposition ever spawned by the "dismal science," but it is no daydream. As Samuelson put it, the doctrine "springs from careful use of the best modern analyses of economics that scholars here and abroad have over the years been able to attain."

It is important not to claim too much. Even if we manage our fiscal and monetary instruments with much greater skill and wisdom than we have in the past, many of our economic problems will remain. The modern fiscal doctrine is no cure-all. But none of the qualifications and refinements which a fuller discussion would require should be used to conceal its central import. Modern democratic governments can, by reasonably sensible exercise of their traditional fiscal and monetary instruments, sharply limit the excesses of boom and bust. Moreover, they can do so without any undesirable increases in government spending, without recourse to any of the paraphernalia of direct controls which would abort the workings of the price system, and without resort to the socialist medicine of nationalization and government production.

Why is it, then, that modern fiscal and monetary doctrine is so disturbing to many people who think of themselves as conservative? Why do they consider radical and dangerous a doctrine through

which we can virtually cure the most serious failures of capitalist institutions by treatment no more harsh than, say, appropriate variation of tax rates and of the supply of money?

Much of the explanation lies in the realm of history and social psychology. One wonders, for instance, to what degree the attitude of the older generation of businessmen reflects an instinctive association, no matter how unjustified, of modern fiscal doctrine with the anti-business flavor of the New Deal.

Some of it, however, involves such matters as inflation and the balance of payments, and a misunderstanding of what we can and cannot expect markets to do for us. It is to these that we now turn.

"WHERE WILL THE MONEY COME FROM?"

The clue to a whole class of objections to deficit spending lies in the perennial question, "Where will the money come from?" It is to evade the issue to point out the obvious — that the government can either borrow money from the public by selling it some IOU's or manufacture money, if not by the printing press, by the more subtle device of borrowing from the central bank. The question is, should it?

Consider the more radical-sounding method — financing of deficits by selling bonds to the Federal Reserve, thereby increasing the amount of money outstanding. Why do most people consider that a dangerous thing to do?

The standard answer, "Inflation," raises a crucial issue of definition. If one chooses to *define* inflation as an increase in the stock of money, then, of course, printing money is tantamount to inflation. But if so, the question, "Why is printing money bad?" remains unanswered, unless one is satisfied with, "Printing money (inflation) is bad because printing money (inflation) is bad."

What people really have in mind, of course, is that printing money will *cause* inflation, defined not as an increase in the money supply but as a rise in the level of prices. There will be "too much money chasing too few goods" — or, more precisely, too much money spending chasing too few goods, and therefore there will have to be a rise in prices and a fall in the value of the currency.

Will it be so? An increase in government spending relative to taxes financed by new or even borrowed money will certainly cause total spending for goods and services to rise. If total spending is thereby made to press against potential output, the effect would indeed be inflationary; there would be a rise in prices. But there is nothing in modern fiscal doctrine which favors increased spending and cutting taxes when total demand is

pushing against potential output. The modern prescription is quite the opposite: when demand threatens to outrun potential, contract the supply of money, cut spending, and/or raise taxes (even though the budget is in the black and revenues are rising).

The occasion for cutting taxes relative to spending and expanding the supply of money arises when total demand is substantially less than potential output, and therefore, an increase in total spending is precisely what is wanted in order to draw idle labor and idle plant and machinery into producing useful private or public goods. In other words, the modern prescription calls for the expansion of demand only when the extra spending can be accommodated by drawing idle resources and idle men into useful employment, and when, therefore, the additional demand need not exhaust itself in rising prices.

But will not the increment in money created during recession cause trouble once the economy is approaching full employment? Not if we follow the modern prescription and apply our monetary and fiscal brakes in accordance with the circumstances. When inflation threatens and the need is for keeping total demand in check, the Federal Reserve can supplement restrictive fiscal measures by using open-market operations and its power over the reserve requirements of commercial banks to mop up any excess money and tighten credit.

(To avoid inflation, it would not suffice simply to maintain the supply of money constant. An increase in the money supply is not a necessary condition for inflation to occur, any more than it is a sufficient condition. Total spending for goods and services is not rigidly limited by the stock of money. The rate of turnover of money — the velocity of circulation, so-called — can and does rise, and not a little, during periods of expansion; with bullish prospects for capital gains on securities, and worries about the price level, people will economize on idle cash. Moreover, with a modern fractional-reserve banking system, the central bank has to take action during a boom just to keep the money supply constant. The natural response of our monetary system in the absence of active central-bank policy is to feed any expansion.)

THE PROPER USE OF TAXES

The importance of penetrating the “veil of money” and forcing oneself to think through what the effects of fiscal and monetary measures will be on the demand and supply of real goods and services is perhaps most vividly illustrated by the example of taxes. The economic justification for taxation (as for borrowing) is not, shocking as it

may seem, to conserve money by collecting enough of it to finance the government’s expenditures. It is, after all, not money that is scarce as an inescapable fact of nature, but goods and services, and the labor and the managerial and technical skills, the machinery, plant, transport facilities, and raw materials needed to produce those goods and services. And if it is goods and services that we care about and want to conserve, then we must employ taxes not to secure balance between the Treasury’s income and outgo but rather to bring about such changes in private demand as are necessary to ensure that total private plus public demand will neither exceed potential output, causing inflation, nor fall substantially short of potential output, thereby causing wanton waste of resources.

The point is of central importance: the principal purpose of raising taxes is to compress the level of private demand and thereby release resources from private use — not to finance government. For instance, if President Kennedy’s barely balanced administrative budget for fiscal 1963 should turn out to be based on too optimistic a forecast about the rate of expansion of private demand, and if, therefore, revenues during the fiscal year begin to fall short of planned expenditures and the budget begins to show red, then raising tax rates or cutting expenditures in order to eliminate or reduce the deficit would be the wrong thing to do. It would amplify the initial shortfall in total demand; it would shift more resources from private and public use into involuntary idleness. Assuming that it is resources, labor and real capital, that we care about, sensible fiscal policy would call for measures which would make the automatic initial deficit bigger — for increases in spending above the originally planned level and/or a cut in tax rates, as well as easy money.

Conventional fiscal thinking leads to upside-down economics also in regard to inflation. If, during the 1963 fiscal year, total demand — and hence income, output, and employment — should grow much faster than is now anticipated and the administrative budget begins to show a much larger surplus than is now expected, and, most important, if bottlenecks and widespread price pressures begin to appear, then the appropriate fiscal reaction would not be either to spend the windfall of extra revenue or to give it away in tax cuts. The right policy would involve some mixture of tight money, higher tax rates, and cutbacks in spending — that is, making the budgetary surplus larger.

The moral is plain. If we want to use taxes to help balance the economy, we must be prepared to take active measures to make both deficits (in recessions) and surpluses (during demand inflation) bigger.

WHAT ABOUT THE NATIONAL DEBT?

From reading the editorial pages of some of our newspapers, one might conclude that among our national pastimes, railing against the national debt belongs somewhere between baseball and sex. Yet the economics of the national debt are both straightforward and undramatic:

1. All the reasons why deficits financed by the printing press are inflationary only when undertaken at the wrong time apply a fortiori to deficits financed by borrowing from the public. (The act of borrowing, taken by itself, tends to depress private spending, in that it will reduce bank reserves, cause interest rates to rise, and lead to generally tighter credit. However, the negative effect on private spending will be much smaller than the positive effect when the government spends the money.)

2. Of all our national concerns, the worry that one of these days the ax will fall and we shall have to pay off the entire national debt is perhaps the most groundless. To be sure, each day of every week there will be bondholders who will want to be paid off. If so, they can sell their bonds at the going market price if they are legally "marketable," or turn them in if they are not. In this one respect, government bonds are like the bonds of AT&T or any other large private corporation. Of course, in the case of the government, the bonds are secured not by a claim on the profits and assets of a particular corporation but by the fiscal and monetary powers of the United States government. If the government fails to use its fiscal and monetary powers to prevent price inflation, holders of private bonds suffer as well as holders of government bonds.

3. Almost all other analogies between the national debt and private debt or international debt are false. Private debt, or debt owed to foreign governments or individuals, is external. It is owed to others. The national debt is internal. It is owed by Americans to Americans. It does not reflect a claim by others on our resources. There is no external creditor.

4. The total of goods and services available to our children and grandchildren will not be smaller because there will be in existence during their lifetime a national debt, some of which will have been incurred last year or this. They will owe the money to each other. The taxes collected by government from any grandchild Peter to finance interest and repayment will go into the pockets of some grandchild Paul who inherited government bonds. (Anyone who thinks the above reasoning somewhat shady might reflect on the fact that, just as there is no subtraction from the total of goods and services available to us when some of

the debt is paid off, there is no net gain of goods and services to a nation and its citizens when the debt is incurred. Increasing the national debt, unlike adding to external debt, does not enable a nation to have more goods and services than it can produce; repaying it, in turn, will not deprive it of any output that it has the resources to produce.)

5. It does not follow that the national debt is without burden. There is a deadweight loss involved in the transfer of resources, in the form of interest, from taxpayers in general to bondholders. If, therefore, the national debt were to grow much faster than the GNP, there might be cause for concern. However, the facts are reassuring. The ratio of the publicly held federal debt (including debt held by the Federal Reserve Banks and by state and local governments) to the GNP, which was 45 percent in 1939 and rose to 118 percent in 1945, has fallen more or less steadily, to 64 percent by 1952 and 46 percent by 1961. Interest charges in 1961 amounted to 1.5 percent of the national income, as against 2.3 percent in 1946.

"IT DIDN'T WORK IN THE THIRTIES"

Of all the myths which masquerade as solid economic truth, few are more pernicious or false than the proposition that a compensatory fiscal policy was tried during the 1930s and found wanting. The truth is, as anyone who bothers to take a look at the crude quantitative evidence would quickly come to suspect, that it was not tried — at least not until 1940-1942, when it worked like a charm, although then, because of the urgent needs of national defense, we had to overdo it.

The measurement of fiscal impact is a subtle and technical business. It is necessary, for instance, to sort out the discretionary changes which occur when the government changes tax rates or its spending programs from the automatic changes in spending and revenues which occur as a built-in consequence of changes in income and employment. Certainly one cannot tell much by simply looking at deficits. Nonetheless, it is a salutary if slightly misleading fact, in the light of the massive collapse in the level of private demand from \$96 billion in 1929 to \$48 billion in 1933, that the federal deficit was \$2.1 billion in 1931, \$1.5 billion in 1932, \$1.3 billion in 1933, \$2.9 billion in 1934, \$3.5 billion in 1936, and \$0.2 billion, \$2.0 billion, and \$2.2 billion, respectively, in 1937, 1938, and 1939. The federal surplus in 1921 was \$1.2 billion; the deficit in 1942, \$33.2 billion.

Actually, even at a superficial level, the federal performance was rather better than that. If one corrects for the decline in the price level between 1929 and 1933, the federal budget went from a

surplus, as measured in 1961 prices, of \$2.4 billion in 1929 to deficits of \$4.9 billion in 1931, \$3.4 billion in 1933, and (a peak) \$8.5 billion in 1936. Even in "real" terms, however, federal deficits were dwarfed by the \$65 billion drop in the level of private spending between 1929 and 1933, as measured, once again, in 1961 prices.

Whatever doubts the above figures may raise about the proposition that during the Great Depression the federal government engaged in a compensatory fiscal program of the size which modern doctrine would have called for are confirmed by M.I.T. Professor E. Cary Brown's rigorous econometric analysis of the quantitative impact of fiscal policy in the 1930s, "Fiscal Policy in the 'Thirties: A Reappraisal" (*American Economic Review*, December, 1956). Brown demonstrates that "the federal government's policies were little more than adequate in most years of the 'thirties to offset [the] contractive effects of state and local governments . . . the fiscal policy undertaken by all three levels of government was clearly relatively stronger in the 'thirties than in 1929 in only two years — 1931 and 1936. . . . The primary failure of fiscal policy to be expansive in this period is attributable to the sharp increase in tax structure enacted at all levels of government. . . . The federal Revenue Act of 1932 virtually doubled full employment tax yields."

It would be easy in the light of present knowledge but unfair to cast all the blame on the Roosevelt Administration. To be sure, there were people who recommended much larger increases in spending, sensing that somehow the old classical rules derived from scarcity were not entirely applicable to a situation where one quarter of the labor force was unemployed and plant and equipment were operating at 50 percent of capacity. Some people even suggested that increased spending need not be accompanied by higher tax rates, that it might be a good idea, rather, to encourage additional private demand by cutting taxes. But it is difficult for a democratic government to violate deeply held rules of "fiscal responsibility," no matter how wrongheaded. Moreover, there simply did not exist, until the very late thirties, a comprehensive doctrine, factually based on a rational analytical structure, which would have provided a defense against the great many who felt that budget deficits were taking the country to perdition.

COST-PUSH INFLATION

A rather more sophisticated argument against the modern doctrine than any we have yet considered — more sophisticated in its premise, if not in its conclusion — turns on the phenomenon of

inflation during recession. Since imperfect competition in many labor and product markets can lead to inflationary wage-price bargains and cause many prices to be flexible only in one direction, up, and since many prices are publicly administered or protected — for example, in transport, power, agriculture — price inflation is not invariably a symptom of demand pressing against potential output. It can occur, as in the 1950s, while markets for both labor and goods are slack.

If the pessimists are right, if labor and management will not exercise restraint at the bargaining table and in setting prices, then no level of total demand will yield both price stability and the full use of our potential. Our monetary and fiscal managers will face a continuing choice between a little faster price creep and a little less output and more unemployment. But whatever line we may wish them to take, the case *for* a sophisticated, flexible, differentiated fiscal and monetary strategy, and *against* the balanced-budget rule, stands. The nastier the winds and the tides, the more dangerous it is to tie down the tiller dead center.

There is an important technical point here. If we manage to achieve an average unemployment rate of 4 to 4.5 percent by ranging between 3 percent during booms and 6 percent during recessions, wage rates and prices will rise less than if we achieve the same 4 percent average with variations running from 2.5 percent to 7 or 8 percent. The rate of increase in wage rates during booms is a function not only of the duration of the boom but also of the amount of excess demand in the labor market. On the other hand, any decline in wage rates that occurs during a recession is only marginally sensitive to the amount of excess supply in the labor market. Having more slack during recessions will not cancel out the effect on wage rates of more excess demand during booms. (In general, when the economy is near full employment, wages and also prices rise more than proportionately as unemployment drops.)

THE BALANCE OF PAYMENTS

There remains the argument that we cannot afford deficits because of the balance of payments. Since rapid expansion of demand will suck in imports and, if it triggers a rise in prices, will make our exports less competitive and imports more attractive, there is good reason to set more modest targets than would be the case if the United States were living in isolation and did not have to maintain a large surplus of exports over imports to cover its international obligations and the outflow of private capital. Balance-of-payments and cost-push considerations certainly help to explain the Kennedy fiscal strategy of cautious expansion,

of not trying too quickly to close the still substantial gap between demand and potential output.

Once again, however, all this has to do with the setting of more or less modest targets for total demand. And once again it strengthens rather than weakens the case for flexible, variegated use of our fiscal and monetary controls to keep total demand growing at the rate which offers the best compromise between the marginally conflicting requirements, on the one hand, of international balance and domestic price stability, and, on the other, of more output and faster growth.

The argument that a deficit — no matter how benign it may be in terms of the price level and our exports and imports, and how desirable in terms of output, employment, and the profitability of the American market for the foreign investor — is too dangerous to tolerate because of its effects on “world psychology” hardly merits comment. The notion that the international financial community, including the large European central banks, will engage in large-scale dumping of dollars, and thereby precipitate a major financial crisis, simply on account of a deficit in the United States administrative budget is preposterous on its face and hardly consistent with the fact of a \$7 billion deficit during the current fiscal year. It does not follow, of course, that there is no need for improved international monetary arrangements to make the dollar and the pound less vulnerable to destabilizing speculation.

FEASIBILITY

What about the charge that economic life is too uncertain and complicated for the fiscal and monetary authorities to know what they are doing?

It would be foolish to assert that to operate an effective stabilization policy following modern doctrine is easy. Forecasting is an art, matters of timing and magnitude are delicate, and the machinery of administration and legislation is cumbersome. We cannot and should not try to eliminate all fluctuations or play it too close. Good fiscal doctrine requires that one leave plenty of room for error.

But, in the main, the view that “It cannot be done” is wrong. There is much more regularity to economic life than most people suspect. Damped by the built-in stabilizers, the economy moves slowly and predictably enough for us to keep adjusting our fiscal and monetary controls according to need — unless, of course, we lock them in place. (People who are concerned that delayed responses will make for perverse policy should give

strong support to the President’s request for standby authority temporarily to vary income-tax rates by up to five percentage points, subject to congressional veto. Such discretionary authority would be a powerful instrument of “preventive action,” as Walter Lippmann called it. Anyone who doubts its efficacy — or the feasibility of translating modern monetary and fiscal doctrine into responsible policy — would do well to test his views against the remarkable recent *Annual Report of the Council of Economic Advisers*.)

IRRESPONSIBLE GOVERNMENT?

There is left, of course, the big question: Can a democratic government be trusted to be responsible? Anyone inclined to think not should keep in mind that to abandon the balance-the-budget rule is not to abandon all constraints on government spending. Any increase in spending which will cause total demand to exceed potential output will cause a sharp rise in prices. The faster the growth in government spending, the less occasion will there be for deficits to stimulate private spending, and the more frequent will be the need for surpluses to counter inflation. To claim that relaxing budget balance gives license to government to go on a binge of spending is to assume that the American government will create runaway inflation. Is that likely, given the sensitivity of the electorate to increases in prices? Certainly the stability of the price level during the past year should provide reassurance.

Nevertheless, there is no denying that if we jettison budget balance, we do in effect remove a constraint on government. But is that a sufficient reason for not doing so, for insisting on balance? Surely one must consider what the consequences would be if the restraint is not removed. For make no mistake, the price system, if not supplemented by a fiscal and monetary policy following modern doctrine, provides no protection against large-scale unemployment and rapid inflation. Can we afford such failure? How long would the country remain committed to a capitalist orientation?

Money, if used right, is a potent instrument for good. As a social institution, it is indispensable. But a government which tries to operate by rules derived from everyday notions of personal morality will cause the monetary and fiscal mechanism to fail in the task for which it is so superbly fitted — mediating the allocation of resources through private markets to serve our needs for private and public things.

“Money is a good servant but a bad master” — Massinger, 1633.

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MY LOUSY ADVENTURES WITH MONEY

by William Saroyan



ABOUT thirty years ago, when I began to meet rich people, as they are called, I was a little surprised to notice that at their best their thinking had the kind of purity I had imagined was beyond them. In all things, excepting the possession of money, they were in fact poor, and therefore attractive. They really didn't know what to do about anything, other than what they had done.

I was not surprised, consequently, when I heard two stories:

1. W. C. Fields one morning is said to have accepted a telegram on the lawn of his home in Beverly Hills while he was drinking martinis with his cronies. The telegram was long, and he read it twice, tears streaming down his face. He was asked what had moved him to tears, and he said the telegram, requesting money, was from the orphanage at which he had spent a number of years of his boyhood. "Are you going to send them money?" he was asked. Still weeping, Fields said, "The hell with 'em."

2. A rich Californian who had once been very poor was visited by a delegation seeking a donation for a cause they knew was near his heart. Again, the man broke into tears, and so of course

Playwright and short-story writer who has taken more than one flier into the hazardous production of his own films, WILLIAM SAROYAN first caught the fancy of a large reading public with his book THE DARING YOUNG MAN ON THE FLYING TRAPEZE. The title has a certain symbolic application to his own ups and downs in finance, and to the philosophy which still keeps him going up.

the delegation believed his donation would be even greater than they had hoped until he said, "Gentlemen, I am brokenhearted, because even though I know the urgency of the need, and even though I *want* to make a generous donation, I can't, I simply can't, you must believe me, I cannot donate one dollar."

These stories are only meant to *hint* at some of the personal complications that are inevitable in the possession of money. Needing money made W. C. Fields one of the greatest (and most truly tragic) comics of our time, a spirit of almost unbearable sensitivity and enormous isolation and grandeur. It is common gossip that he had money in safe-deposit boxes in banks all over the country, because he was afraid (terrified?) that someday he might find himself in an American city broke again. And it is also common gossip that the money is still in the unrecorded, unlocatable safe-deposit boxes, years after the death of W. C. Fields.

The other man, the rich Californian, has also now been dead for some time, and I don't know what has happened to "his" money.

Before I see about looking into the matter of my own involvement with money, I believe it might be in order to remember my first fame in relation to it.

I was under six years of age, and for three years I had been living in an orphanage at Oakland, California, but already some of the preposterous

meaning and lore of money had reached me and had affected my view of things in general. For instance, I permitted myself to believe I had a right to take pride in the fact that my people, generally speaking, were money people, when in fact they were no such thing. My father died suddenly in 1911, aged thirty-seven, not only broke but in debt. My mother was obliged to work for a middle-class family in San Francisco as a maid and cook. How or why these facts entitled me to imagine that I came from money, as the saying is, I can't imagine. Was I insisting, or was I equating the possession of money with the possession of life, or with the possession of what I shall now call class (solely as a time-saver), or superior natural endowment, which I must confess I *did* believe I had?

In any case, eight or nine boys at the orphanage in my age-group had been taken to Luna Park, and we were all running around having grand adventures of all kinds in the outside world, so to put it, and not any of us had a penny to his name.

Some of the other kids in Luna Park that day also did not have a penny, but others of them had nickels, dimes, and quarters, which we saw with our own eyes, astonished, admiring, and envious.

In the lore of the orphanage there were tales of boys who had found all sorts of things in the streets, going to and from school, or on errands: pocketknives, dollar watches, young and helpless birds, small animals of various kinds, and finally coins, actual pieces of money. And so it had come to be traditional to be watchful wherever we went. One did not actually look for money, but at the same time one was always alert about the possibility of finding some.

And so it came to pass that in Luna Park I found a coin. It was light in weight, bronze in color, and in all truth, even at that age, I was quite sure that it was not an authentic coin of any real value. It might even have fallen out of a Cracker Jack box. But my finding of the thing had been so exciting that I wasn't ready to forfeit even the most remote possibility of worth, and so I ran with all my might to the nearest boy who was also from the orphanage to let him see the coin.

"It's a five-dollar gold piece," the boy cried. "You've found a five-dollar gold piece." And he began to jump up and down, and dance around, hollering at the top of his voice and every now and then taking another look at the coin.

I thought, "Now, that's a damned lie if I ever heard one. Or *isn't* it?"

Suddenly the boy went off into another order of excitement: "Don't tell anybody about it. They'll take it away and spend it on soap for the laundry. It's a five-dollar gold piece, but don't tell 'em. It's a secret. I won't tell anybody."

I put the coin in my pocket, and there we were in Luna Park in 1914 with this secret between us. We went back to the rest of our gang and tried to act as if we had no secret, but every once in a while the boy took me aside and asked me to let him see the five-dollar gold piece again.

After another look he whispered, "Put it back. Nobody knows. Keep it until you run away, and then you'll be able to buy something you need."

WELL, of course it was pure fantasy, and I knew it was, but all the same, little by little, the lie began to take possession of me. At the very least I was now ready to believe I might be mistaken in thinking that the coin was a worthless token of some kind. Later on, I would certainly show it to my brother, and he would let me know the truth. In the meantime, the adventures of the day continued for another hour or two — slides, swings, tree climbing, running, jumping — and once again the boy came and asked to see the five-dollar gold piece.

I reached into my pocket to fetch it up, but it wasn't there. I went through every one of my pockets twice, but it wasn't in any of them.

I ran back to where I had last been and began to look for it, and the boy began to look, too. The other boys from the orphanage came and asked what we were looking for, and the boy blurted out what he believed to be the truth: whereupon all of us began to search all through Luna Park for the lost five-dollar gold piece.

We didn't find it, although several of the boys found other things, pretty much useless and shabby in comparison with a five-dollar gold piece.

At length we were dragged away from the search by Blanche Fulton, a kind of social worker at her own expense, who had been assigned to our group.

Ten minutes after we reached the orphanage it was common knowledge that I had found a five-dollar gold piece in Luna Park but had lost it.

Everybody was sympathetic about the irony of finding and losing such a valuable piece of money, and while I was tempted to dispel some of the sympathy by remarking that I really didn't believe it had been a five-dollar gold piece, I simply did not do so. And it wasn't that I was enjoying the sympathy, which in fact embarrassed me; it was simply that I didn't know how to tell them the truth without spoiling the fun they were having.

I reasoned, "Well, it's lost in any case, whatever it was. If I *had* found what they all believe I had found, it would still be lost, so what's the difference? Let it go."

They were mourning the loss, not the coin itself.

They were being astonished about irony, not gold. And so I let it go.

But that's not all. The event became a part of the lore at the orphanage. Even if I were to say, as I did to my brother, that the thing I had found was not a five-dollar gold piece, was not in fact *any* real coin with any real value, I would not have been believed. The thing had gone past me entirely, as if it might have been a kind of inevitable fragment of children's folklore.

Thus, little by little, month after month, being reminded of the lore, doubting it, disbelieving it, I was suddenly astonished to find myself willing to believe that I hadn't studied the coin carefully enough to know for sure that it had not been what everybody had decided that it had been, and consequently it *might* very well be that, in spite of my feeling about it, it *had* in fact been a five-dollar gold piece.

Soon, at sleep time, I frequently remembered that I had once found a very valuable gold coin, and had lost it.

Half asleep, I no longer doubted the thing, but every so often during the day I remembered the whole episode clearly and felt with a terrible sense of guilt that I had been a party to a lie, a deception, which all by itself had taken off and become, for all practical purposes, the truth.

Well, it wouldn't do, that's all, and so I said so, but it was too late.

The lore was established that I had found and lost a five-dollar gold piece in Luna Park, period.

And so I gave up, every now and then helplessly falling back into a *belief* in the lore, but most of the time *knowing* that it was a lie.

I had found something, and I had lost something. What I had *actually* found didn't matter because I had lost it. I was famous as the central character of the lore. As far as I was concerned, it was a spurious order of fame, but at the same time there was no getting away from the fact that everybody wanted me to have it. There is probably no telling precisely what effect this had on my character. Thus, is literal truth the thing, or is lore the thing? Does the hero need anything more than the insistence of those who have chosen him for the role? Was it in me, simply, to be the only boy at the orphanage who was equal to that particular lore and role? As long as I was there no one *else* became similarly famous, at any rate.

The important thing appears to have been the losing of the coin soon after having found it. Had it been a true gold coin, and had I *not* lost it, the situation would not have impelled a comparable lore and fame. The coin would have been exchanged for its worth in ordinary stuff of one sort or another, which could not have meant anything in particular to me, and which I would have re-

ceived, in any case. The losing, and the lore, had transformed the coin into something far more dramatic and valuable than anything in the world which might have been bought for five dollars.

THERE is still a little more to the matter. Soon after I began to earn money as a writer, soon after more than I really needed began to come to me, I found that I wanted to buy five-dollar gold pieces, and I began to do so, preferably coins dated 1908, the year of my birth. Here and there, stashed among other items of junk that I have accumulated over the years, there are probably as many as three dozen five-dollar gold pieces, and there is hardly ever a time when one such coin is not in my pocket, or in my wallet, or on a table where I am staying.

What does it mean?

I leave that to the reader.

Still, it is possible, and it may be desirable, to relate the matter to more of my involvement with money, and with anybody's involvement with it.

First, I believe I speak truthfully when I remark that I am opposed to the stuff, because of what it does to most of the people. And yet I am aware of the foolishness, the meaninglessness of this opposition. We simply have got to have such a division of matter and energy into recognizable portions of worth. I suppose what I am opposed to is that which *want* of money does to the potential that is in all people for decent being, and that which *posses-*



sion of money does to the few who have it excessively. That is to say, I am opposed to the distortion possession of money impels in the human being in general. It is difficult for anybody who by his own will, wit, labor, luck, cleverness, or even dishonesty has acquired a great sum of money not to believe that this fact alone proves something worth proving. The right to feel superior? The right to feel unimportant, or humble? Or the right to feel neither? To be above the whole thing?

Second, I deeply cherish poverty, for the simple reason that real wealth, inner wealth, is impossible for anybody who is measuring worth in terms of matter, money, possessions. If money could bring a man to the same true wealth that want of money imposes on him, I would urge everybody to find out how to get money, but it simply doesn't do any such thing. It disengages will from the real, and directs it to a continuation of the *action* by means of which still more money may be added to the sum that is already there. This, of course, is futile, since there is *always* still *more* to be had, and to be added.

I was once informed at a dinner party that the man across the table from me was worth fifteen million dollars. I had no choice but to reply that the amount was not enough. Had it been fifty million, it would still not have been enough. The man was scarcely touching his food, he was all but silent, he seemed watchful and confused, and I felt that he was thinking for the most part about death. Now, that of course is what all of us are thinking about. Death and sex, or a good way to get through the human experience so that it might at least *seem* not to have been totally meaningless, and in order that the inevitable might not necessarily also be the fearfully undesirable, a raucous jeer at the desperate but useless lifetime performance.

Third, and last, I must openly acknowledge that there is an enormous area of contradictoriness in my involvement with money, some of which I understand a little and can account for, but most of which appears to be lodged in me in a manner that does not permit me to make sense of it. Perhaps the greatest living authority on money is Ezra Pound, judging from what I have heard about his theories and his persistence in expounding them in poems, essays, and letters. And yet one has the feeling that his theories, like mine, or the next fellow's, or even the specialist's, are personal and therefore not possible to understand.

If you write about money for a lifetime, you're

interested in it, and you probably want more of it than you have, or are able to get, but when a poet is in a fix like that it is difficult to know what to think, since any involvement in the *poetic* is in itself a repudiation of all lesser involvements, but most especially the money involvement. What drives a poet to become a specialist in money matters? There is really only one valid excuse for it: that willy-nilly it keeps him alive and for all anybody knows drives him to the writing of poems he might not write had he not made himself into a money specialist.

A great poem is worth no known coin of any known realm, but at the same time *all* of the coin of all of the realm could not produce a comparable poem, and could not even *purchase* the production of such a poem by a poet with a known and established potential for the writing of great poems. Money can be *given* to a poet if he will accept it. Part of the contradictoriness I am speaking of does not permit me to accept a gift of money from any source. I consider the very offer an insult. On the other hand, I insist upon being paid for that which I have written, and I am not above bargaining, disputing, and if need be refusing to sell, which I have frequently done, with the result that the writing involved has never appeared in print. I am not unaware that there is an element of bad manners in my resentment of offers of gifts of money. But it is only common sense to insist on being decently paid for that which in one degree or another is the means by which a publication, or a television program, or a publisher is to stay in business and to earn money. I refuse to appear on any kind of television program without payment. I consider all such requests the impertinences of shameless and wealthy beggars and thieves.

The fact is, What does any of us really know about the world? Do we even live there, really?

Is the coin we find and lose gold, or a piece of junk, to dazzle the eye a moment, out of a box of Cracker Jack?

I don't know. And when I carefully examine the dissertations of those who think they know, and then turn and take another look at the world and the human race, I still don't know. All the same, I'm all for the world just as it is, because that's all we have. And I'm all for the poets and beggars and thieves, because that's who we are, we have no choice, and on our way through there is always at least an unexpected joke and a laugh or two now and then.



THE COST OF VANITY

by Phoebe-Lou Adams

A member of the ATLANTIC's editorial staff whose reports on new books are as incisive as her judgment of new manuscripts, PHOEBE-LOU ADAMS recently submitted herself to the full treatment of New York's most famous beauty salon. She emerged refreshed and impressed, with this story to tell.

DESPITE variations in locality, price, and the shape of the chairs, there are only two kinds of beauty parlors. Type A assumes, and openly proclaims, that Madam is a wreck scarcely worth the trouble of salvage. It caters to those who feel guilty at spending money on vanity or who enjoy being abused. Since a masochistic puritan who also wishes to be beautiful is a contradiction beyond the scope of ordinary reason, these places can be disregarded. They are not beauty parlors at all, but temples of an esoteric and inexplicable cult.

The true beauty parlor, type B, holds that Madam is a splendid specimen, sadly mishandled by other, less perceptive establishments. The management is happy to correct the errors of its predecessors, for a fee that can range from the trivial to the titanic. What the customer gets for her money, at either end of the price scale, is a noticeable surface improvement plus a satisfaction that doesn't necessarily have any connection with her appearance. She buys a solid, brilliantly colored portable dream.

The woman who rather fancies herself as Madame Pompadour can support the notion in a twentieth-century adaptation of the eighteenth-century impression of the baths of Caracalla. This gilded villa is laid out around an inner courtyard

"La Toilette de Vénus" by François Boucher.

which is only a trifle hampered by the presence of a ceiling and is ornamented with a pretty little pool containing a fountain, artificial water lilies, and an occasional myopic client.

Outside those mirrored walls, the customer may be a harried mother of six, a neglected wife, an overworked secretary, a bullied clerk, or merely a woman bored to the screaming point, but within them, she becomes a royal heroine. Her word is law, although she may have to explain it now and then.

"Let me get this straight," growls the hairdresser, a young man in well-tailored banker's gray with a no-nonsense accent. "You want a big roller in front and a small one behind it. Like this? Well, how, then? At an angle. OK. So then what? Pin curls in front of the ears. In front of the ears? But, Madam, where do we go with the rest of it?" There is a pause full of feminine mutterings. The hairdresser's voice rises again, resonant with scholarly outrage. "I'll do anything you wish, Madam, but we don't usually follow Miami. They normally follow us. I doubt, myself, that it will stay up."

After this momentary protest from the loyal opposition, Madam gets her rollers and pin curls, and, thanks to pride of craft or underestimation of Miami, it does stay up. Everything stays up.

A girl whose hair has the texture of cotton candy and is colored an impossible but becoming pink is having it combed. There seems to be a great deal of it, and it swoops out behind her head in a twist that must surely be cantilevered. The last lock, which the hairdresser stands back to consider, is three inches wide and ten inches long. It stands alone, rising straight up from her forehead like the horn of a unicorn. Once it is flattened into place, the whole astonishing confection is set until the next morning, when the owner will come in to have it combed all over again. She works in the neighborhood. Presumably the hairdo is a business necessity, but it is constructed with a pantomime of leisurely admiration and courtly concern worthy of the old regime.

Washing, cutting, setting, drying, and combing out her hair will cost the customer about fifteen dollars. Rinses casually alleged to accomplish various unlikely wonders will add two or three dollars to the bill, and a permanent wave, coloring, or pattern bleaching will send it skyrocketing. Technically, the work will be excellent, and in the course of it the customer will be given several compliments and all the coffee she can drink.

There is a considerable difference between the carnival-barker claims of cosmetic advertising and the underplaying of the Caracalla staff. Advice is rarely offered unless it is requested, and, when given, includes no mention of the company's products. The woman who spends forty-five minutes massaging the customer, which seems a lot of effort for ten dollars, allows that her work can ultimately improve the shape but will not decrease the weight by more than a few ounces. The facial, involving another ten dollars and four or five unguents, removes everything superfluous from the customer's face, including, probably, the top layer of skin. The results are spectacular, but no attempt is made to peddle the lotions, nor are there any promises of easy rejuvenation via powdered plankton or cream of ant's eggs.

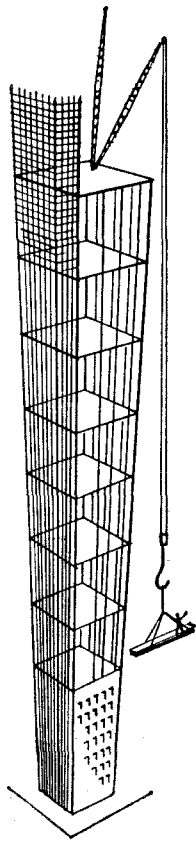
Even the pedicurist, buffing away at corns and callouses with an electric contrivance that purrs like a dentist's drill, offers no advice that can lead

to commerce. She also says nothing unkind about the customer's feet. It is impossible to judge how much of her seven-dollar fee goes for self-restraint, but a manicure comes cheaper.

All these kindly ministrations to the customer's person, soothing to the nerves and stimulating to the circulation, have a decided effect. She never felt cleaner in her life, and she looks it. Nevertheless, the house offers one hilariously frippery specialty: a bath which has absolutely no practical use at all. In an immense sunken tub of what appears to be marble, flanked by gilded pillars and overhung by a Puvis de Chavannes and water mural of Neptune with his back turned, the customer splashes in eighteen inches of perfumed violet water with a foot of bubbles on top. A concealed pump creates whirlpools and tidal waves, sea monsters spout, a uniformed maid stands by with towels and conversation. A fur rug is provided for the feet, and a golden chair for Madam to dry off on. The chair is probably permanent, but there must be quite a turnover in rugs. This whole affair costs seven dollars and a half, and it is, in one way or another, worth every cent of it.

What with all these maneuvers, plus eyebrow plucking, leg waxing, and a final expert painting of her face, the customer has got through five or six hours and better than a hundred dollars. The charming results will last from a day to a week, depending on the nature of the hairdo and the customer's own skill in applying cosmetics.

A shocking piece of extravagance, says the practical citizen, who knows that all these adornments, with the exception of the marble tub, can be had for less money elsewhere. But consider what the customer got in addition to the polish she carries home. For five hours she was a combination of princess and movie star, flattered, waited upon, the glittering center of a theatrical production with ten scene changes and a cast of forty. It was a highly successful production, too, since she was applauded by both her colleagues and her mirror audience. Nobody can buy that kind of hit on Broadway for any amount of money.



THE REAL ESTATE SYNDICATES

Money in a Hurry

BY CAROLINE BIRD

Public syndication of real estate is a modern development which, in its eleven years of existence, has attracted more than \$10 billion from investors. CAROLINE BIRD, a New Yorker who graduated from Vassar and received her M.A. at the University of Wisconsin, here describes the operations of the syndicates and warns of their dangers.

REAL estate syndicates, which are growing even faster than mutual funds, give hundreds or even thousands of junior partners small pieces of big income-producing buildings. In 1961, the first year they were required to file, new real estate syndicates in and from New York state drew a half billion dollars from the public. Public syndication of real estate is not yet twelve years old, but some observers think it has attracted more than \$10 billion from investors.

The figure is a guess because the syndicates are hybrids. Real estate editors think they belong on the financial page, but financial editors pass them back to the real estate desk. The few who understand the syndicates worry and warn against them.

The danger to investors ranges from outright fraud and loss of money to bucket-shop promotion deceiving them about the risks they are running. The danger to all of us is tax evasion and inflation of real estate values until the bubble bursts with a bang that will hurt everyone who owns property.

The essential ingredient of a real estate syndicate is a promoter or syndicator who gets the cash to swing a real estate deal by cutting in a large number of limited partners under a complicated partnership agreement with twists original enough to baffle an ordinary lawyer or accountant. The following example is typical of the better offerings:

Early in 1961, a syndicator found a 510-room apartment house in the suburbs he could buy

from the builder for \$520,000 above the safe mortgage an insurance company supplied. He clinched the deal by putting \$25,000 of his own money into an option to buy. His next problem was to raise the cash fast. To cover the \$520,000 and reimburse himself, he raised \$610,000 from limited partners, each of whom paid in one or more units of \$5000. As general partner, he agreed to give his hundred or more limited partners a share of the rental profits of the building amounting to 10 percent of their stake for ten years. He further undertook to manage the building in such a way that the limited partners would not have to pay income taxes on 65 percent of the money they got out of it. He then formed an operating company, which leased the building from the partnership for a rental which guaranteed the limited partners their 10 percent and gave him a small profit as operator too. Everyone won.

The builder got a fast, clear, cash sale.

The syndicator converted use of \$25,000 for a few months into most of the \$90,000 difference between the \$610,000 raised and the \$520,000 cash he had to pay. The profit went to him in various forms — real estate commission, syndication expenses, units reserved for himself for finding the deal. And, under the lease, he continued to participate in the rental profits.

The investors got \$500 a year on each \$5000

invested, and for ten years \$325 of this distribution could be reported as depreciation or return of capital, and so was free of income taxes, giving them more money for themselves than would a comparable income from a savings account or any listed stock or bond, taxable or tax-exempt.

The catch, of course, is that a piece of a syndicate cannot possibly be compared with a savings-bank deposit, a mortgage, a bond, or even a stock. All of these pieces of paper entitle you to something tangible. If a corporation fails, a stockholder might theoretically lay hold of a nut or a bolt as his share of the fixed assets after the debts have been satisfied. He has a lien on something. A syndicate partner, on the other hand, has only a share in the hypothetical profits of selling or operating a piece of property when and if it is acquired. If the general partner cannot find enough money, or something is wrong with the deed, or any of a number of things stop the sale, the partners may even be out their stakes.

Other questions come to mind. Who guarantees the return? Who would buy your share if you needed money in a hurry? Could the property be sold without your consent? Could you be assessed if more money were needed to meet an unforeseen expense? How long will the building continue to make a profit? The syndicators of the new 510-room apartment house in our example budgeted only \$14,000 a year for "repairs, maintenance, supplies, and vacancies," but they cannot expect to get by on that after the first few years.

What is this 10 percent you are getting, and why is so much of it tax-free? Even the syndicate salesman doesn't call it return, interest, or income. The tax-free portion of the distribution, as he calls it, is either that portion of your investment the general partners are giving back to you that year or the amount of the depreciation the Internal Revenue Service allows you to deduct from your income against the day when the building will be completely worn out and you will have to put up your share to buy a new one.

Neither the tax ride nor the 10 percent distribution will last forever. Theoretically, they ought to end together. When the building is 100 percent depreciated, you will have to pay full income tax on any revenue you continue to get from it. About the same time, the general partners might finish retiring the capital they raised from you, so that you would be entitled only to whatever share of the equity of the building the fine print of your contract with them provides. If they have postponed repairs to keep a little operating income above the 10 percent they undertook to distribute, they have been dipping into your capital. If you have spent the 10 percent as if it were income, you have been dipping into your capital.

Few syndicates are old enough to have run out of money, even if it were possible in today's rising market. Practically speaking, income-producing real estate has grown steadily more valuable every year for the entire eleven-year history of real estate syndicates. Inflation has generally more than offset the depreciation allowed against taxable income. As a wheeler-dealer, the general partner or syndicator has usually cashed this gain long before term, often by a swap under which his delighted limited partners get a larger dollar share of a new deal, though their equity is smaller. Common sense suggests that there must be an end to this process, but, like the end of a rainbow, it seems far off and likely to wind up in a pot of gold.

Startling returns were easy in the beginning. Most big buildings were held by corporations. Convert the corporation into a partnership, and you double the income by saving the 52 percent corporate income tax. By means of tapping a new source of funds, the public, syndicators could put in automatic elevators or otherwise realize the potential of investment opportunities which did not happen to fit into the plans of any of the limited groups which regularly watch for such chances.

News of the magic spread. Where else could you get 25 percent, or 15 percent, or even 10 percent on your money and keep more of it than usual from the tax collector too? What could be more solid than a few bricks in the Taft Hotel, the Squibb or General Motors building, or the old Wanamaker store? As Albert Mintzer, whose well-publicized SIRE (Small Investors Realty Plan) offers participations as small as \$500, explains, syndicates give the middle-income investor the thrill of owning a tangible part of America, the romance of buying a major property. Syndicates are big in Hollywood, the city of dreams.

THE first fortunes have already been made. The real estate syndicate as we know it was born on December 1, 1950, when Lawrence A. Wien invited the public to share ownership of the office building at 200 Fifth Avenue on the basis of a 15 percent return, with an opportunity for more if it became available. It did. In the past four or five years, 200 Fifth Avenue has been paying its syndicate participants 25 percent on their original stakes. As for Wien, he is now so rich, and knows so much about taxes, that he spends \$250,000 a year on 250 charities and a great deal of his time on the hundred foreign students he is seeing through Brandeis University. His most recent venture has been the purchase of the Empire State Building.

Most of the original syndicators were not real estate brokers. Wien was a lawyer. So was Al Mintzer. Marvin Kratter, the first to put a corporate roof over his partnership syndications and to offer the stock for public trading, was an accountant. The late Robert A. Futterman started out his career as a \$75-a-week rent collector. Of the spectacular successes, only J. M. Tenney and Louis Glickman were born into the real estate business.

All of these pioneers have consolidated their gains and are out of the syndicate business. They are corporations, even if corporations do pay income taxes. Their former limited partners have marketable stock in companies operating a diversified portfolio of real property which pays dividends that are downright stodgy compared with the old participations in a single building. These pioneers say there is precious little left in New York City that can be safely or honestly syndicated at more than 10 percent.

They warn in vain. A new generation has flocked in to take their places. Louis Glickman thinks that the number of syndicators actually doubled during 1960. Sanders Kahn, a veteran New York City appraiser, now Supervisor of Real Estate Education at the City College of New York, thinks it was easier to sell syndications in 1961 than it was a year before. "There are probably ten times as many, and thinner ones at that, as there were in 1957," he adds.

The pressure of syndicators on available New York City property has pushed the prices up to the point where yields are lower. One solution is to take lower-percentage distributions. Another is to syndicate apartment houses, office buildings, and other prime income-producing property out of town. Neither solution is popular with the New York market for syndicate participations, now considerably swollen by people who are out to duplicate early killings.

"To determine the potential success of a less than 10 percent offering, it is merely necessary to call a meeting of the syndicator's relatives and ask how much they intend to invest," Preston Golden, a colorful New York syndicator, laments. "There are times I feel that the syndicator who wants to build a motel in Oshkosh would do just as well by building it on the moon," he says. "At least on a clear night some of his investors might be able to look up and proudly remark, 'That's my building.'"

The solution, of course, is to sell participations in Oshkosh to people who can drive by every morning and say, "That's my motel." This is being done, frequently by successful New York syndicators looking for fresher fields. Some of them insist that the syndicators will roll across

the country like a tidal wave until every major building in the country is taken.

IN New York City, meanwhile, the new syndicators have to run faster all the time to maintain the fabulous returns their followers expect. This leads to abuses:

First, they are syndicating property which has no business being syndicated. Contractors stuck for a loan have syndicated construction jobs, beginning distributions out of collections before the building is ready for occupancy. Leases have been syndicated. Edward N. Gadsby, until recently chairman of the Securities and Exchange Commission, reports the syndication of a stretch of desert improved only by a growth of cactus, presumably in hopes of a long-term capital gain.

The commonest danger, however, is that syndicators are reaching out to syndicate real estate which is dependent on the operation of a business. Motels, hotels, swim clubs, country clubs, bowling alleys, nursing homes, medical centers, and dairy farms are high-risk service industries which ought to return 25 percent or more to their investors. They are certainly no bargain at the 10 or 12 percent return offered by the syndicators.

Second, they are dressing up the deals to look better than they are. Alvin A. Levy and Irving Magot of Estate Securities Co., Inc., New York and New Jersey realtors, report several dodges for artificially inflating the value of syndicated property. One way is to pay so much more for the property than it is worth that the original owner is willing to kick back some of the price by agreeing to lease it from the syndicate at more than it can earn. Another way is simply to collect more from the participants than is needed and pay them back their own money. Levy and Magot cannot understand how the syndicators get theirs.

Some of the new syndicators are merely outsmarting themselves. Occasionally they are as confused about what they are doing as their limited partners are. Carl Madonick, assistant attorney general in charge of New York state's Bureau of Securities, tells the story of a Queens housewife who gave a syndicate salesman \$2500 and then tried to figure out the piece of paper he gave her. On the advice of a neighbor, she sent it to the attorney general. Neither Attorney General Lefkowitz nor Madonick nor his accountant could make head or tail of the two sloppily mimeographed sheets, so they called in the accountant who signed the balance sheet—who finally admitted he could not understand it himself.

More or less legitimate, but somewhat opaque to the unsophisticated investor, are devices for

deferring expenses so that the deal looks good today. Because the amateur investor is interested in the rate of return, the sophisticated syndicate designer starts with the rate he thinks he can sell and figures back. He may, for instance, balloon the mortgage by arranging for increasing payments on the theory that improvements in the property will make the mortgage easier to carry later on.

Third, there is more pressure on syndicators. In some cases, the deals are so thin that the only way to make the return is to sell the property and put the syndicate participants into a new and thinner deal. Many syndicators now have employees to keep busy.

Selling has taken over, and it is hard sell. Direct mail, newspaper advertisements, and, in the case of SIRE, radio commercials are used, but the syndicator's lethal weapon is the telephone. The telephone campaign is well organized. Platoons of syndicate salesmen work lists from batteries of telephone cubicles in midtown Manhattan which resemble the bucket shops and boiler rooms no longer allowed to offer stocks.

They always call you at dinnertime. The case is urgent. If you act within x days, you can get a piece of a well-known building acquired under extraordinary circumstances (one salesman kept saying a building had been bought "from the King and Queen of England"). They are "guaranteeing" you 12 percent, which is more than you get from a savings bank. It's a "sure thing," and they are trying to do you a favor.

It is tempting to be a little rude and ask, "If there is so much in it for me, what's in it for you? Why are you willing to go to all this trouble to make me rich?"

A straight answer would disclose some startling arithmetic. Mr. Kahn says that selling and organizing expenses once figured at 10 percent are now running as high as 20 percent, which means that one dollar out of every five you put into a syndicate goes to pay for selling you. Free-lance syndicate salesmen now go from syndicate to syndicate, taking 6 to 10 percent off the top before the syndicate's regular selling expenses are deducted from the money available to pay for property.

Nobody is quite easy about the conditions of syndication to date. As Louis Glickman, president of the Association of Real Estate Syndicators, puts it, "In any new and growing field there are those who operate in the shadows of misrepresentation

and incompetency." A little exuberance in selling, some sharp corners, an extra cut for the promoter may be the inevitable price we pay for a bouncy new field of mass investment. But there have been outright frauds, cases of fly-by-night syndicators who literally absconded with paid-in funds after switching them illegally from syndicate to syndicate.

Regulatory agencies are frankly worried. Until recently, syndicates evaded scrutiny. Paul Windels, Jr., the alert young New York SEC administrator under Eisenhower, brought some syndicators to court to establish the right of the SEC to require them to register, but the agency does not have the men or money to ferret them out.

Larry Wien registered from the start, but some of the other syndicators have cooked up a series of ingenious ways around the registration law. The current fashion is to print on the prospectus, "This offer limited to residents of New York state."

New York intra-state dodgers ran straight into the open arms of Attorney General Louis J. Lefkowitz, an energetic syndicate watcher from the beginning. He has forced syndicators to modify their advertising to make clear that the high rate of return is in part a return of capital, rather than a return on it. After three tries, the state legislature passed a disclosure law with teeth.

Responsible observers, and particularly the operators themselves, are urging amateur investors to stop, look, and listen before they plunge. "Real estate can be the safest place to put your money and the fastest place to get rich, but the professionals get the best of both worlds," Windels points out. "The banks and insurance companies take the first mortgages that stand up when values fall. The promoters and builders take the equity which multiplies when values rise. The amateur or public investors are invited in to cushion the deal. Usually they get some kind of unsecured promise to pay which may neither cut them in on big capital gains nor protect them from a real drop."

The syndicates are a warning. Real estate is not well regulated or well understood. It is sold in a way that builds inflation. The tax laws encourage the tendency for the price of real estate to rise as it wears out. The mechanics of real estate financing makes prices rise whenever property is sold; it is the sale that makes the price, not the price that makes the sale.

If 1929 ever happens again, it may begin with a break in real estate.

GOLDEN ARMOR

BY R. P. LISTER

Once, to the house where I live, in London,
There came a man called Pyestock,
An American.

He was a perpetual student here in Europe,
Living the life of the perpetual poor.
But Pyestock was not poor.

First he had been a perpetual student in Paris.
What he had studied there, nobody could discover;
In England he studied nothing.

It was very cheap living in France, Pyestock said;
You could manage very well in a small hotel
On two thousand bucks a year.

But all the same he found the French too tough,
So he came to England,
And found the English tougher still.

In France at least they had cafés
Where a man could sit and talk to his neighbors.
In English cafés nobody talked at all.

A friend of mine took Pyestock to a pub,
Where he could drink and talk to the English people;
All of them friends, and friends of friends of friends.

But Pyestock proved to have nothing much to say.
After two drinks he said to my friend and his friends:
Let us go someplace else.

What he was driving at they could not imagine.
They stared at him and said: There is nowhere else;
We are here.

Pyestock was lonely. He used to come up
To my room, to talk to the English people;
But I was always busy.

He could not endure the solitude and the silence.
But the life of the poor would be full of solitude and silence
But for the fact that they work.

He said to me: Why do you not go to Spain?
I know a nice rich American, driving to Spain;
He would take you along.

I told him I had no use for the rich,
Even if they were Americans;
Nice or not nice, they were beyond my means.

We were all sorry for Pyestock. He should, of course,
Have restricted his quest to the Tower and Tussaud's and the Louvre,
Like everyone else.

He could have done the Uffizi and the Prado,
Scanning the souls of the Italian and Spanish peoples
Without meeting a single one.

He could have spent his two thousand bucks in Bond Street,
Or the Rue de la Paix, or the Reeperbahn if he chose,
And still had enough left to live on.

He could even have studied something at the Sorbonne,
And enjoyed himself with the Dutch and Danish and Spanish
And Canadian students.

Or he could have lived in London, and met
The Greeks, the Nigerians, the Australians, and the Serbs,
Who are all friendly people.

He could have done this and done wisely.
He would have made hundreds of international friends
All over the world.

But through some incredible quirk of temperament
He wanted to live in England and meet the English people,
Or in France and meet the French.

And this was a thing, of course, he could not do.
The English people and Pyestock were as unrelated
As green and Tuesday.

The only way of meeting the people
Is to live among them for a very long time,
And even then it is difficult.

So Pyestock was like a master of arts at midday
Demanding to be made a certificated plumber
By three in the afternoon.

You can be dubbed a knight in half a second,
Or become a hero, a coward, or a corpse in three or four,
But to become a plumber takes time.

And to meet the English people, with all those bucks about his person,
Was like trying to swim the English Channel
In a suit of golden armor.

And nothing's more certain in the world than this:
A man who once gets into a suit of golden armor
Never willingly takes it off.

Unless, of course, he's a saint or a goddamn poet,
Neither of which Pyestock would claim to be,
Another fact to his credit.

So much for poor old Pyestock. We told him
He ought to go quietly back to Massachusetts,
But all he said to that was, he hated Massachusetts.

ISN'T EVERYTHING

BY EDWARD T. CHASE

Educated in New Jersey, at Lawrenceville and Princeton, EDWARD T. CHASE is a writer on public affairs and a consultant to private industry and to the government, particularly in the areas of urban planning, transportation, and medical economics. In the article which follows, he discusses the current boom in culture.

A REVOLUTIONARY shift from economic values to noneconomic values in our decision-making has been quietly taking place since the war. Most Americans still care mightily about money, to be sure, but a different perspective is observable. To an unprecedented degree, things are being decided on nonmonetary criteria, extending from the individual's choice of a career to such matters as the public's support of preserving open land.

Since economic theory proceeds on the premise that all except frivolous motivations are at bottom pecuniary, it is only natural that economists are mute on this point. Yet no discussion of the role of money in American life can ignore this very important development. Furthermore, the new appreciation of noneconomic values is the key to many of our political differences; to misunderstandings between the older generations and the new one; to the heightened tension between the businessman and the intellectual, including the contempt for Madison Avenue; and to the rise of the paperback, of the off-Broadway theater, of the art movie house.

An understanding of this revolution in values is of great consequence if we expect to comprehend not only the changing role of money in American life but also the strange new mixed economy that is replacing classical capitalism. Two underlying factors have created the possibilities of this revolution. The first factor is economic. A review of economic data on labor and productivity reveals

striking changes within the past century. For example, within the lifetime of some of us, the average work week in the United States was 69 hours. Today it is about 35 hours, and union electricians in New York City have just negotiated a new contract providing for a 25-hour week. The significance of these facts, which is not ordinarily discussed by professional economists, is that they are a prerequisite for the rising importance of noneconomic values.

No matter from what quarter you advance upon these statistics, they tell you the same thing: the imperative to toil for mere subsistence has suddenly lost steam. For the United States, at least, the battle has been largely won. In the jargon of professional economics, the shorter work week means a decline in the marginal urgency of goods.

A decline in the marginal urgency of goods, with its consequences of an abbreviated work week and labor force (our population of the nonproductive — that is, the retired elderly and the young in training — is the largest in history) means at the very least that a young man today need not, as in past ages, be limited to a struggle for survival, nor even that he must feel compelled to embrace some conventional moneymaking career if he wishes to enjoy standard creature comforts. He has more choices of how to occupy himself than man has ever enjoyed before. So much is plain.

However, it does not follow that his choices will

necessarily have a less economic character than heretofore. For this to be so, he must not only be free of excessive pressure to earn a buck; he must also be conditioned to make noneconomic choices (joining the Peace Corps, for example) by ideas, by his notions of what is worth doing. The second prerequisite for any general ascendancy of noneconomic values is mass education.

Social scientists refer to the educational changes in America in the last fifty years as one of the world's great social revolutions. In 1900 only one person in fifty stayed in school beyond the age of fifteen; now, thirty out of fifty finish high school. The percentage of the population aged eighteen to twenty-one enrolled in college nearly doubled between 1910 and 1920. The illiteracy rate in the population fell off about half between 1890 and 1910. The number of graduate students in U.S. colleges tripled between 1900 and 1920, tripled again in the 1930s, and more than doubled during each of the succeeding decades. We are now experiencing the combined impact of these two forces: the coming of age of a generation of the relatively well educated — the result of our unique mission of free public education for all; and our simultaneous liberation from toil through the triumph in economic productivity.

THE CULTURAL BOOM

The more obvious effects of this development are already dramatic. Take American post-war cultural and leisure-time pursuits, now for the first time within reach of a substantial majority of Americans. The cultural kick Americans have set off on since the war is astonishing, no matter how much you may like or dislike it. (It is *de rigueur* for intellectuals to dislike it, but since there is no corresponding diminution of high culture, they should not be so dismayed by mass culture.) The amount of money spent is all but incredible. A recent *Fortune* survey estimates that in 1961 Americans spent \$5 billion on culture, 70 percent more than they did only ten years ago, while the population increased only 18.5 percent. This cultural explosion engages the public across all geographical and economic lines and involves every form of cultural activity.

Because of the didactic, information-spreading nature of literature (as opposed to an art form like the dance), the book boom is an especially significant aspect of the cultural explosion, since, by itself, the immense increase in reading is transforming the general level of sophistication. Consider these facts. In 1961 Americans spent twice as much for books as they did in 1955, some \$1.2 billion, an extraordinary development no one predicted a decade ago. The American Library Asso-

ciation reports that book circulation nationally has increased 29 percent in the last five years, with the emphasis upon serious nonfiction. Sixty percent of the librarians surveyed attributed the reading boom to the "increased educational level" of the reader.

Significantly, many librarians reported that television, once considered the arch-villain, has been the prime spur to reading, with its promotion of new books and classics and its public-affairs programs. Book publishers, on the other hand, ungraciously claim that adults are increasingly abandoning television for reading, according to a *Wall Street Journal* survey, and ascribe the boom in book sales to the phenomenal rise in educational and cultural standards.

Attracted by the boom, more new book publishers are entering the field than ever before, with some twenty new firms having come into the paperback field alone since 1958. The sale of quality paperbacks totaled 13 million copies in 1960, eight times the number sold in 1952 and about a third more than in the preceding year. With college enrollments expected to rise more than 25 percent in the next three years, the incentives to publish are being intensified. Fat profits are predicted from textbooks and high-class paperbacks particularly. Thus, we are seeing magazine publishers like Time Inc., Macfadden Publications, Inc., and the McCall Corporation either already embarked on or about to embark on book publishing. At the same time, the distribution of books is being revolutionized, too. Supermarkets have become a recognized outlet.

The book and reading boom is matched by mass participation in the museums, which are making new records in attendance and winning greater financial support. In 1960 the number of art museums alone in the United States had grown to 630 (out of a grand total of 3900 of all types), and Americans spent just under \$300 million to run them. A recent study by the *New York Times* carried revealing quotations from museum leaders about the sudden interest in the museum world. The operating administrator of the great Metropolitan Museum of Art in New York, James V. Noble, stated, "A cultural renaissance is occurring in this country, there is no question about it."

The fact that thirty years ago there were only twelve museums in the United States for each million of population, while today there are twenty-two for each million, strongly supports the renaissance thesis. Meantime, the sudden wave of building immense new cultural institutions, like Lincoln Center in New York, Los Angeles' \$24 million Music Center, Saint Paul's new arts and science museum, and the Wayne State University

cultural center in Detroit, is ensuring that new generations will not be culturally deprived.

The *Fortune* survey shows that in 1960 Americans spent \$200 million to buy pictures or the materials to create them; \$90 million for classical-music recordings, including 25 million long-playing discs, or a 78 percent increase over the figure of just three years ago; \$590 million for musical instruments; \$26 million to operate symphony orchestras; \$375 million for theater, opera, and concert seats.

Even more significant is the sudden advent of the off-Broadway serious and experimental theater, mushrooming in the post-war era from none to the present 32 houses; the similar flowering of art movie houses, from a handful in the 1940s to some 500 now, during a period when movie attendance overall dropped from 60 million weekly to 40 million. Note, as well, the sudden growth of FM radio, the sprouting of foundations in support of education and culture, and that new campus figure, the resident writer and composer.

The threatened cancellation of the Metropolitan Opera's season was a most instructive episode. The acclaim accorded Labor Secretary Arthur Goldberg for resolving the Met's labor problem last winter emboldened him to urge direct government subsidy of the arts. This notion, hitherto alien to Americans, has come to have widespread popular as well as Administration support. The interesting aspect of Goldberg's remarkable statement is his stress upon culture as so essential a part of democratic society as to justify large-scale federal aid. Referring to the performing arts, Goldberg said they are experiencing "a growth so rapid, so tumultuous, so eventful as to be universally described as an explosion. The specifics have no parallel in history. America today has some 5,000 community theatres — more theatres than radio and television stations. There are better than 500 opera-producing groups — seven times as many as fifteen years ago. Symphony orchestras now total 1,100 — twice as many as only ten years ago. . . . An area of unequalled achievement may well be upon us."

Though disaffected intellectuals are appalled at the mass character of this culture, judging it to be a vulgarization, which much of it unquestionably is, nevertheless, this spate of cultural pursuits is primary evidence of the diminishing dominance of moneymaking as the tyrannical absorber of our time and energy.

THE NEW IDIOM OF SUCCESS

There is more subtle evidence of the change in our sense of values than the cultural boom. Much more pertinent, for example, is how the style-

setting, opinion-making segment of the best-educated Americans is judging the ingredients of success. In the past, material success has traditionally been considered a sign of election in our dominant old Puritan Calvinist tradition. Today the sign of election is membership in the new elite, those who have intrinsically important work they enjoy, those for whom, in philosopher John Dewey's phrase, "earning one's living is at the same time living one's life." This is the newest idiom of success in America. In ever-increasing numbers, educated people are finding their primary concern and identification through their jobs, rather than through the incomes the jobs return.

All of us can cite supporting instances from personal experience: the man who takes a lower-paying job of four days so that on the fifth day he can pursue his personal research; the art connoisseur who takes a modestly paid job as assistant curator so as to be near paintings; the top graduates wooed en masse by commercial interests who instead choose obscure research fellowships, a stint as forest ranger, work in a settlement house, or the penury of being an assistant to the assistant editor on a serious periodical.

The Peace Corps is a phenomenon that deserves very close scrutiny. The volume of 16,000 applications to date is extraordinary in itself. But the public support for the project is even more significant. So impressive has been the response, in fact, that plans are afoot in Washington for a domestic counterpart, an Urban Peace Corps, to strengthen some of the essential public services so desperately undernourished in our asphalt jungles.

This rise in noneconomic values reflects a rejection of the traditional system of rewards and bears the clear implication that monetary rewards have been too often unsustaining and even corrupting. Involved here is a revolt against the market system of free enterprise itself. For the market system, whose very successes have created the possibilities of an indulgence in noneconomic values, has been tyrannical in confining its rewards to those most fully absorbed with moneymaking. But today, as money weakens as an index of status and prestige, we are witnessing a revolt in which there are new heroes and new villains.

Robert Brustein writes perceptively of the "Madison Avenue villain" as the new symbolic figure, the type most widely and venomously rejected in the flood of self-critical American literature. One is reminded of Montesquieu's observation, at the onset of the Industrial Revolution whose fruits are now liberating us, that "It is the nature of commerce to make the superfluous useful." The heart of the contempt for the Madison Avenue type is his superfluousness. His life, as Brustein remarks, is selling something that he did

not create and that people do not need. In short, Madison Avenue symbolizes the exact opposite of the new hero, the person who solves the peculiarly American problem of making meaningful use of time and finds self-fulfillment in his work. The successful man today is the one whom the intelligentsia define as the unalienated man. In the words of Sidney Hook, "the unalienated man is the creative man, any man engaged in significant or meaningful work voluntarily assumed as a means toward self-realization." If this is the new ideal which our affluence has made a practical possibility, then it is inevitable that the drive to make money becomes secondary.

The extraordinarily widespread deprecation heaped upon Madison Avenue from every quarter can be seen as an expression of the newly ascendant status of noneconomic values in various ways. For example, since the role of advertising is to guide the individual as a consumer, a contempt for advertising carries with it the rejection of consumption as a worthy end in itself, a rejection of the primacy of materialistic values. It is my belief that in fact we in the United States are evolving beyond what J. K. Galbraith calls the "consumption society" — one that has mastered the problems of production — and are approaching a new order of society, the society of self-realization. This is a notch up the ladder from sheer consumption for its own sake or for the sake of maintaining full employment. In this higher society of self-realization whose outlines we are just perceiving, the effort to get meaningful work will be the paramount concern.

One of the dismaying developments of our time is the widespread incidence of juvenile delinquency. And a number of recent studies (*Growing Up Absurd* by Paul Goodman; *Delinquency and Opportunity* by Cloward and Ohlin; *Slums and Suburbs* by James B. Conant; *The Insecure Offenders* by T. R. Fyvel), by remarkable coincidence, all come out almost simultaneously with this finding: not lack of money but lack of jobs, of work with any meaning, is the bedeviling factor behind most of the delinquent behavior among adolescents. Affluence has not been enough, these studies show. The deprivation triggering delinquency has been a deprivation in noneconomic values, such as the sense of function and status, and the prestige that comes from having work of some significance. Hence, we see delinquency extend beyond the slum to the middle-class suburb, where money is not a problem.

Finally, we are increasingly encountering a shift to noneconomic values in our collective as well as our personal judgments. For example, there is a movement that has attracted wide public support across the nation to preserve open land. Rural and

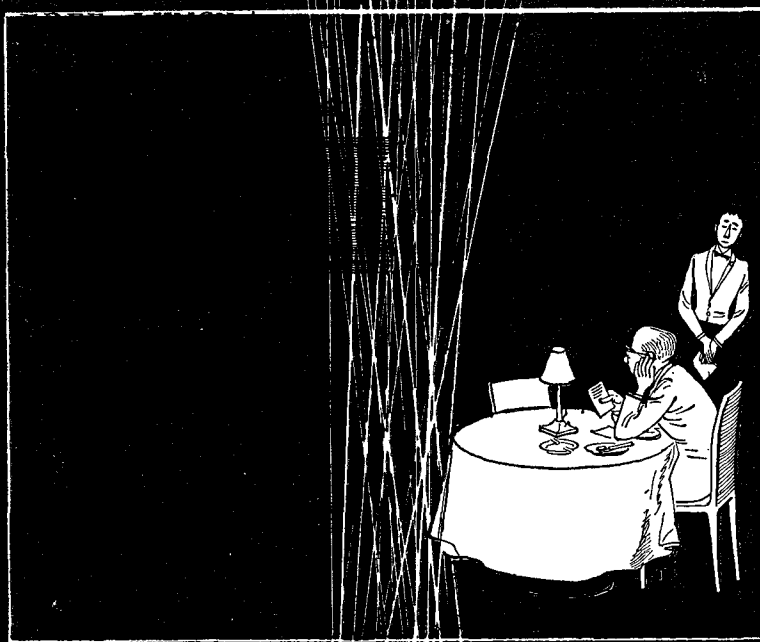
wilderness land is being acquired both by outright state purchase or by an ingenious leasing arrangement with private owners strictly for the sake of leaving land as it is, undeveloped and unexploited by commerce. Also, our planners are appealing, with increasing success, for the public to give precedence to noneconomic criteria in planning the major determinants of our environment, like urban renewal, highways, and airports.

Money isn't everything, and we are finding society acting on this radical premise in any number of ways. Harvard economist Alvin H. Hansen proposes in fact that Congress create a Council of Social Values comparable to the Council of Economic Advisers. The President, with the council's assistance, would report annually on our cultural gains and losses. He would be required to set forth goals for the coming year, review the progress or lack of progress in the year past, and propose necessary programs and policies. It is, says Hansen, "high time that we devote in our State of the Union message some attention to the cultural needs of an advanced society."

A wonderful paradox enters into this. The degree to which a society turns away from the immediacy of moneymaking to the cultivation of the resources of the mind and spirit substantially determines its ultimate economic growth. This is a new concept in economics that has been proved statistically only in the past several years. It was originally the brainchild principally of Arthur Burns of the National Bureau of Economic Research and of Chicago University's Milton Friedman. Now it enjoys the support of nearly all the younger economists.

It means that investment in physical capital, like factories and machinery, is less important to economic growth than investment in brains — in education, invention, research, professional skills, culture, technology. Dr. Walter Heller, the chairman of the President's Council of Economic Advisers, in his tour of the nation during the recent White House Regional Conferences emphasized at each conference that such investment in intangible human capital has accounted for over half of our economic growth in the twentieth century. The very subordination of moneymaking *per se* to concern about the quality of living in our emerging society of self-realization can beget wealth to an extent we have hardly contemplated.

Such a society, educated, self-aware, and free from overriding absorption with the pecuniary, is really the goal of democracy. Properly conceived, the end of democracy is the freedom and the capacity for self-fulfillment. This must be the commitment of all of us. In this light, the changing role of money in American life signifies a turning point in our history.



Living

WHEN MONEY WAS IN FLOWER

BY CHARLES W. MORTON

Anything written about the effect of money on life in the United States ought to be in the past tense. There was a time, that is, when money really meant something. A dollar was not an infinitesimal sum; neither was a nickel. One recalls a reverse-English witticism, "It's only money," which was mentioned when a price seemed exorbitant, and which might even get a laugh from those who hadn't heard it before. But nowadays, the same line would be played straight, and all within hearing would amiably concur: it's only money, and what it will buy is very little indeed.

To begin thinking about prices as, for example, they stood at the beginning of World War I is to be overwhelmed by reminders of what a dollar used to do for its owner. Many daily papers cost a cent, and a nickel on Sunday, and home delivery to the subscriber was a matter of about \$5.00 a year for what costs today just nine times as much. As a schoolboy I used to lodge at the McAlpin when I was hard up, in a comfortable room, well kept, for \$2.00 a day, and when in funds, at

the Waldorf, a block away, for \$3.50. The Ritz-Carlton was a little too steep for me at \$4.00 to \$5.00, and I still regard the Thirty-fourth Street Waldorf as the most glamorous and exciting hotel in my experience.

The treat for a schoolboy at the Waldorf was a pot of chocolate in the Men's Café; the portion consisted, simply, of a large silver pot of rich bittersweet chocolate, a large silver pot of scalded milk, and a long silver dish piled with heavy whipped cream — all grouped on a silver tray at a tariff of thirty-five cents. As a generous tipper, appreciative of good service, one gave a waiter or bellboy a quarter. There were no hotel maids; at any rate, they worked when no one was around and without demanding cash in advance for straightening up a room.

To return briefly to the nickel: it would buy, in packages of ten, Hassan or Mecca cigarettes, with a colored photograph thrown in of a celebrated ballplayer or prizefighter of the time; a variety of domestic cigars (when Havana cigars were about three for a half-dollar); a ride in the subway; and much of the

contents of what was, in all truth, the five-and-ten-cent store. The hottest competition at this price was among the saloons, most of which boasted of putting out the biggest five-cent schooner of beer in town.

The real competition by saloons lay in the nickel beer and equally in the quality and variety of the free lunch offered with it. A certain amount of etiquette, no doubt, governed how heartily one might feed on the basis of a single schooner without a lift of the bartender's eyebrow, yet the free lunch in a first-class saloon was a vast assortment of cold dishes, possibly a hot delicacy or two like melted cheese on toast, but often flanked by a standing roast of beef and a ham, both of towering dimensions.

In a Chicago bar called Righeimer's, the free lunch was a ham or roast beef sandwich of extraordinary quality, prepared by an elderly Negro who used a slicing knife in each hand and turned out elegantly thin sandwiches without handling them, offering them to the customer on the extended blade of a knife; the style and dexterity in this operation were as attractive as the sandwich itself.

Theater tickets, for the thirty or forty attractions available of a winter evening in New York, were some-

where around \$2.00 to \$2.50 for the best seats and considerably less in the balconies. After the theater one went not to a nightclub but to a cabaret such as Shanley's, Churchill's, or perhaps — a few years later — the Midnight Frolic on the New Amsterdam roof. For two or three dollars a head, one found not only first-rate entertainment in these places but also notably good food

and drink; the competition among their kitchens was just as serious as that among the good restaurants. One other quip of that period points up what a dollar would do: the man who was complaining to the waiter about being charged a dollar for an order of corned beef and cabbage and who said, "You couldn't *lift* a dollar's worth of corned beef and cabbage."

Jukebox Piracy

BY STANLEY GREEN

A well-known musicologist and author of THE WORLD OF MUSICAL COMEDY, STANLEY GREEN is on the staff of the Lynn Farnol Group in New York.

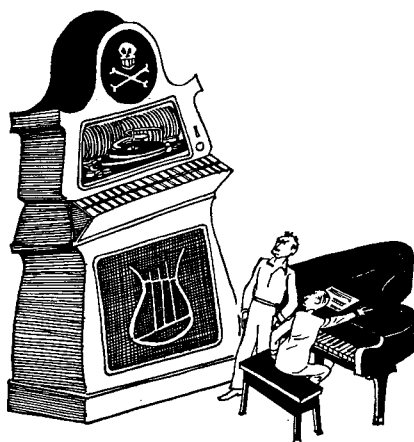
Once upon a time, it might have been true, as the Scottish politician Andrew Fletcher wrote in 1704, "If a man were permitted to make all the ballads, he need not care who should make the laws of a nation." Today, the American ballad maker must be as concerned with the laws of a nation as the notes on a scale.

The one law that affects him most directly is, of course, his copyright law, which covers his legal rights to have his songs published, sold, recorded, and performed publicly for profit. Recently, because of certain inequities in the law, intensive studies have been made to determine the best means of modernizing it, with particular attention to the field of public-performance rights. The law is pretty definite in stating that a composer and lyricist must receive adequate compensation every time their songs are sung or played for profit. Every radio and television station and network, motion-picture studio, restaurant, bowling alley, skating rink, or dance hall that uses music to contribute to its solvency must obtain a license to play copyrighted works. Every commercial user of music, that is, except jukeboxes.

Perhaps the lawmakers really couldn't have foreseen in 1909, the year the copyright law was passed, that there ever would be such a universal dispenser of culture as a jukebox. With rare shortsightedness, they passed a special amendment specifically exempting coin-operated music machines from being consid-

ered as a public performance. In those days, such machines were no more than novelty gadgets, but they have since burgeoned into big business. Dimes and quarters are being swallowed up in ever-increasing amounts, to the nonlicensed tune of over \$500 million annual profit. Yet no matter how often a song is played, its composer and lyricist receive no royalty.

Let us take a simple example. Frank Sinatra made a hugely successful recording of a song called "Witchcraft," written by Cy Coleman and Carolyn Leigh. Under the copyright law, the two-cent royalty per record pressing is divided fifty-



fifty between the songwriters and their publisher, the Edwin H. Morris Company: Mr. Coleman receives one half cent, Miss Leigh receives one half cent, and the publisher receives one cent. When a person decides that he cannot live without this record and buys it, the composer and lyricist expect no further royalty. But when a jukebox operator buys Sinatra's recording of "Witchcraft," he buys it for one reason only — to make a profit. A single recording may possibly be played as many as 5000 times on one machine; at ten cents per play, the dealer grosses \$500 on an item that cost him less than one dollar. As

for Mr. Coleman and Miss Leigh — well, if they're not spendthrifts, they still have their half cent each.

Take the example one step further. When the record is purchased for use on the radio, it is subject to the copyright law, and its performance is taken into account as part of the fee ASCAP collects from broadcasters to distribute among its members. If a tavern owner uses a radio to entertain his customers, he, too, is subject to a licensing fee. But if he decides to replace the radio with a jukebox, neither he nor the dealer need pay for a copyrighted work.

Alarmed by this injustice to composers and lyricists, a group of citizens headed by Carl Sandburg has formed the Creative Arts Committee for Better Copyright Laws. Its chief purpose is to spread the word about the iniquity of the current laws, particularly with reference to the jukebox amendment, and to urge Congress to enact laws that would be more equitable. One of its most powerful arguments is the report of the Register of Copyrights, which states unequivocally: "Jukebox operators are the only users of music for profit who are not obliged to pay royalties, and there is no special reason for their exemption." Others backing the repeal of the exemption are the Librarian of Congress, the State Department, the American Bar Association, the General Federation of Womens Clubs, the American Patent Law Association, as well as the rival performing-rights groups, ASCAP, BMI, and SESAC.

This year, those who are supporting the change in the law have reason to be optimistic. Representative Emanuel Celler of New York has introduced a bill "to stop the legalized piracy of copyrighted music by the jukebox syndicate," and a vote will be taken at the current session of Congress. As for the Senate, its Judiciary Committee has already recommended a similar bill in a previous session. Supported both by the Sandburg group and by the public's growing awareness of under-world domination of the jukebox business, the current bill has an excellent chance of passing. If it does, the usually unsung songwriter will finally be able to give less thought to the nation's laws and more to its musical needs. Who knows? With added financial security, he may even write better songs.

Art Among the Equities

BY SCOTT CORBETT

SCOTT CORBETT is a native Missourian who is now teaching English at the Moses Brown School in Providence, Rhode Island. He is the author of many books and light articles.

Lovers of nineteenth-century public statuary and mid-Victorian etchings have missed a treat if they have never browsed through a sheaf of representative American common-stock certificates.

Centered at the top of most of them, presumably intended as decoration, is a steel engraving featuring one to three human figures in classical draperies. These are meant to symbolize the company issuing the stock, and it is seldom hard to tell what they stand for. In general they wear that blank and mindless look that goes with representing Progress and Prosperity, Industrial Might, or Natural Resources.

Of the companies that produce the certificates, the American Bank Note Company is undoubtedly the largest, and also the most faithful treader of the beaten path. Situated, inevitably, in Boston, this fine old firm continues to embellish its productions with the same straightforward symbols that so enriched the artwork of our grandfathers' day. Public-utilities corporations have a special fondness for classical representations of their activities, and for them American Bank Note obviously keeps on hand a set of standard props which can be assembled and arranged in an endless variety of uninteresting ways. These include assorted dynamos, sledgehammers, and anvils, flywheels, gears, Victorian urns and vases, laurel wreaths, togas, and tunics, assorted wax fruits and vegetables, baskets and cornucopias, bulging bags of grain, and three or four cleaning women who double as models.

Two particularly ill-favored members of this last-mentioned group were called to the dais to flank a dynamo when a certificate was being designed for the Pacific Gas & Electric Company. One of these seated figures, wearing a leather apron, is leaning on a long-handled sledgehammer and looks as though she would have no trouble swinging it, with either hand. Half turned away, she is glancing over her shoulder at the dynamo with a dangerous expression, as though tempted to haul

off and knock the whey out of it. The other creature, just as hefty but sumptuously attired, is staring straight ahead while imperiously pointing sideways at the hammer. Clearly, Capital is saying to Labor, "Don't do it."

Actually it is unfair to suggest that cleaning women have a monopoly on the modeling assignments, since only professional models could possibly hold some of the grotesque poses conceived by the art-class anchor men who have found a haven in the bank-note field. When the Hamilton Bank Note Company was called on to compose a certificate for Allis Chalmers Manufacturing Company, a sparkling design was hit upon in which a young man and a young woman are seated on each side of a globe. (This globe is something of a curiosity in itself, since in a single hemisphere it shows us nearly the entire land mass of both hemispheres.) The young man, whose equipment includes the ubiquitous sledgehammer and anvil, is reading a scroll. The young woman, with a torch, laurel wreath, and some books near at hand, is gazing pensively into space. Her chin rests on one hand, and her elbow is apparently meant to rest on her leg. But they don't meet. Her elbow rests on thin air.

Try holding that pose for an hour, and you will see why it takes a professional.

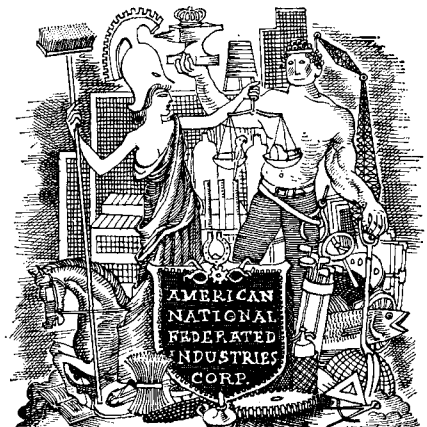
One might easily conclude that these designs are a heritage from earlier board chairmen whose tastes were actually formed in the Victorian era, and that time would work its changes. Well, by the fifties Allis Chalmers had a new certificate, designed this time by American Bank Note; and American, taking, if anything, a step backward, scrupulously avoided the inclusion of any object or implement or detail of style that Queen Victoria would not have recognized as an old friend.

From left to right we have these three figures: seated, his costume limited to a sheet draped across his lap, a bald, bearded old man with Chairman of the Board written all

over him; standing behind him, a muscular, blond youth, the type you know will be bald at thirty; and standing beside him, a second youth, attired in the customary floating breechclout peculiar to farmers on stock certificates. Our young rube is leaning, in a most unlikely manner, on a pitchfork, its prongs upward and pointing negligently toward the first young man. Assorted fruits and vegetables at his feet and the spears of wheat in his hand further drive home his rustic status.

The old man's knees straddle a large beaker of the kind to be found in the laboratory of any mad scientist in a standard horror movie. This beaker is half full of a brandy-like liquid which is being distilled into a tumbler. The old man's hand, resting lightly on the beaker, holds what looks like a good panatela, so that all in all he resembles nothing so much as J. P. Morgan in a steam room contemplating a three-for-one split.

Under a magnifying glass, this static scene reveals itself to be full of sordid aspects and potential violence. The panatela proves to be a stylus, though what the old man intends to write on is not clear. Instead of the usual vacancy, the blond young man's eyes hold an ambitious gleam. He is staring straight down at the old man's head. This puts a different light on the fact that he is gripping a sledgehammer (short-handled, this time, for close work). But will our young farmer friend let him grab the chairmanship for himself? Don't rule out our hayseed too soon, as he stands there with his arm draped around the prongs of his pitchfork, his wrist drooping in a willowy way you wouldn't expect from a son of the soil, and his fingers trailing loosely down the shank of the fork. Any pitchfork balanced that pre-



cariously is bound to slip, and will probably catch Hammer in the forearm on his downswing. If you want to bet on who the new chairman will be, put your money on Pitchfork.

Fortunately, not much stock-certificate art holds such dreadful secrets. Much of it features young women who have consented to undrape one or more bosoms for allegorical purposes only, and who have a no-nonsense look about them which makes it clear that this sweet disorder in the dress can never lead to anything. These dedicated models can often be seen in Boston, reporting for work in their sensible walking shoes and pince-nez, with their hair pulled severely back into a bun.

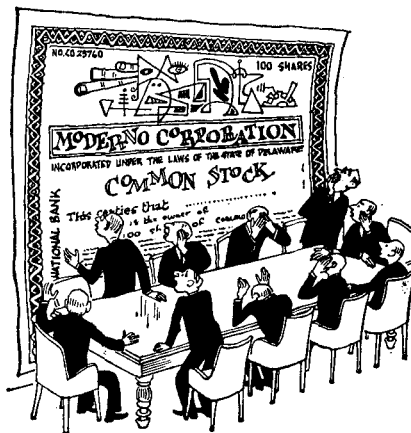
Stock certificates scorn subtlety. When you come upon a Hercules Powder Company certificate, you may be comfortably sure you will receive no surprises. There he stands in his bearskin, holding a cloven-headed club of rude proportions. The bear's head fits over his own like a skullcap, in a most unbecoming style, which one hopes will never catch on, and most of the skin hangs down his back, though, fortunately, a vagrant breeze has whipped just enough of the tail end around in front to make him decent before he has his picture taken.

On AT&T stock we get away from classical stuff for a while. Here we have Alexander Graham Bell superimposed on a bulged-out world flanked by pictures of town and country. These show the beauties of small telephone offices on city street corners and of large steel towers and telephone poles on rural hillsides. Another AT&T certificate shows four telephone receivers hooked together by wires circling the globe. Typical of the equipment pictured on stock certificates, the receivers are the kind used in country stores fifty years ago.

Sometimes the classical and industrial go hand in hand, as on Kentucky Utilities Corporation certificates. Here a lad with the usual sledgehammer is shown between two oval pastoral scenes relieved from monotony by factories, high-tension lines and towers, and other emblems of progress and production. The factories are uncompromisingly ugly but going strong, judging from the amount of black smoke spewing out of their many tall chimneys. On Wisconsin Power & Light certi-

cates, a classical-draperies girl holds a torch that ends in an old-fashioned light bulb, while a chap in sandals and little else is shown nesting among a dynamo, anvil, and railway-car wheel. On the other hand, the Southern Pacific Golden Gate Company had the daring simply to show one of its ferryboats crossing the bay with San Francisco in the background — but, then, everybody knows what happened to *that* stock. Some busybody built a bridge.

From General Electric, certainly, one expects a change of pace. What kind is hard to say — maybe a picture of Betty Furness telling us, "You can be even surer if it's General Electric" — but at least something. Not so, however. Along with



nearly every other peddler of electricity, General Electric features the first thing that would come to the mind of any artist worthy of the name of hack, a goddesslike creature holding a sparkling live wire attached to a dynamo. Potomac Electric Power uses a young man, but atones for this deviation by making him prettier than any of the girls.

Occasionally an animal is attempted, usually with lamentable results. Like the Hercules Powder people, the Greyhound Corporation gives us what we expect, but the eyesore portrayed on their certificates is a hound so scabrous, so desiccated, and so attenuated as to demand investigation by the S.P.C.A.

What about the newer corporations? Surely those space-age outfits with such terms as "dynamics" and "electronics" in their corporate names could be counted upon to break new ground! Well, not, to mention one, General Telephone and Electronics Corporation, with its Victorian engraving of Mercury and his caduceus. Not, to mention another, American Dynamics, with

its McKinley period representation of what appears to be the Statehouse in Boston.

At first glance, for all its work with electronic computers, International Business Machines also appears to have allowed the same old Model 1890 human brain to choose its artwork. Seated on each side of a large IBM emblem are a young man holding dividers and a young woman holding a globe — the elements of as musty a design as any. But closer inspection is rewarding. The young woman is an arch-eyebrowed wench with a face and figure comely enough to qualify her as The Girl You Would Most Like to Test a Computer With. It takes a keen and roving eye, however, to penetrate the old-style engraving that camouflages her.

When something even less inspired than any of the foregoing designs is wanted, there is always one emblem to fall back on, the American eagle. And fall back on him they do. He has probably been fallen back on by stock-certificate artists more often than any other single symbol in their tattered catalogue.

The type of stock certificate held by small investors is generally for less than one hundred shares and is so labeled in each corner. What about the large investors' certificates, those printed for one-hundred-share lots? Is better art provided for the real capitalists? Investigation reveals that no such undemocratic condition exists. The figures in the middle of the certificates grow larger, but the figures at the top remain the same. Investors should be happy to know that very little of their money, indeed, is being wasted on artwork. And cultural idealists with any notion of starting an avant-garde bank-note company had better think twice. They'll never make a dime.

Of course, change *will* come. A few leaders, such as General Motors, have definitely broken with the nineteenth century. General Motors stock certificates feature stylized cars, trucks, and buses drawn in a fashion that recalls the worst commercial art of the late 1920s. There seems little reason to doubt that within the next fifty or sixty years most major corporations will catch up with GM in this respect, and our grandchildren will witness the passing of the Victorian period in stock-certificate art and the advent of the twenties.

The Day Money Died

BY J. WESLEY SULLIVAN

J. WESLEY SULLIVAN is news editor of the OREGON STATESMAN, Salem, Oregon, and is a former Nieman Fellow of Harvard University. This is his first appearance in the ATLANTIC.

The trading-stamp explosion began in the 1950s. By the end of the decade, competition was fierce. Hardly anything could be bought without some form of trading stamps being thrown into the package.

In 1961, the first clearinghouse for trading stamps was opened at Utica, New York. People from all over the nation sent in stamps they weren't saving and exchanged them for ones they were — for a slight fee. At first, the clearinghouse fees were collected in money. Then, later, they were collected in trading stamps, which should have been a tip-off as to what was coming.

It was in the pre-Christmas season of 1963 that an Omaha clearinghouse began to realize the full potential of the trading-stamp business. The first loan department was established. Thousands of people needed just one or two more books of stamps to get the premiums they needed for Christmas presents. The Omaha Stamp Bank was flooded with loan requests.

Nearly an equal number of stamp savers were saving for the big premiums a year or two away. It was estimated that the average American family had a reserve of ten books of one kind or another. At an average value of \$3.00 a book, \$1.5 billion in unclaimed assets was lying in dresser drawers across the United States. With the promise of 4 percent interest in trading stamps, millions of these books poured into trading-stamp savings accounts, which began springing up in connection with the loan departments.

This brought on an unexpected crisis. The clearinghouses simply weren't prepared to handle the volume of books which descended on them. Handling and storage were the big problems. Guarded warehouses were used at first. Bushels of books were trundled about by fork-lift trucks. The ridiculousness of the situation soon became apparent.

By arrangement with the trading-stamp companies, book-burning centers were established. Under supervision, carloads of the books were burned each day, and the tally re-

corded on chits. These chits, certified by the clearinghouses, became the accepted substitute for the stamp books.

At about the same time, the housewives' rebellion began. The job of pasting stamps in books became such an annoyance, it was thought for a while the stamps might be abolished.

The stamp receipt system was devised as a compromise. Each place of business was provided with a metering machine, similar to the postage metering machines used in larger business firms. As each purchase was made, the buyer was handed a trading-stamp receipt as a substitute for the stamps. After a time, the stamps themselves faded completely from the picture, with the receipts serving as a substitute for the smaller amounts and the chits for the larger number of full books.

Back in the summer of 1961, the first wages began to be paid in the

form of trading stamps. In the beginning, the stamps were given in the form of bonuses, in addition to regular money. Before long, the trading-stamp clause became a part of every union contract. It was argued that the clause was non-inflationary. It served as a substitute for raising wages. This seemed plausible at first. Each year, wages remained the same, but the trading-stamp allotment was raised.

Before long, the trading-stamp allotment was a sizable fraction of the paycheck. It was in this era that businesses began accepting stamps in payment of bills owed. After the wage earner had paid his money for the things for which payment of money was mandatory, such as mortgage payments and insurance, he oftentimes had nothing left with which to pay the grocer except trading stamps.

If it was a question of stamps or nothing, the businessman took stamps. After all, he could turn right around and give them back to the customer with purchases.

Size began to tell in the stamp industry. Federated Trading Stamps, Inc., was formed as a merger between two old-line companies and a handful of the smaller firms, and

I'M LEERY OF FIRMS WITH EASY TERMS

BY C. S. JENNISON

In spite of my sad financial state,
The country's running a competition
To further abet and aggravate
My Personal Debt condition.
Whatever I want: a car or cow,
A ranch or refrigerator,
I'm urged to buy for a dollar now
And a lot of dollars later.
In short, the merchants with wares to sell
Consider my cash a crime
And keep advising me — what the Hell —
To buy what I need On Time.

Lately, as more and more bills evolve,
I often think of my Cousin Emma,
Who finally found a way to solve
Her own Time Payment dilemma.
When she was up to her ears in hock
For jewels and furs and raiment
And realized, with a sudden shock,
She couldn't make one more payment . . .
She bought On Time, for want of a dime,
A trip to Peru one fall,
And not only didn't come back On Time,
She didn't come back at all.

achieved a dominant position in the New England states.

As competition grew more intense, companies piled premium upon premium. Speculation in the trading-stamp company stock reached a feverish pitch in the summer of 1969. Its crashing climax came at the end of September, when Sav-a-Stamp closed its premium centers throughout the country and refused to redeem its books. Long lines of people waited in vain outside the redemption centers as eighteen other major stamp companies took the plunge.

On October 2, J. P. Smiley, board chairman of Federated Trading Stamps, called a meeting of the stamp tycoons in New York City. Present were officials of thirty-seven companies, representing 95 percent of the stamp business in the nation. Smiley locked the doors and announced that no one was leaving until the stamp panic had been resolved.

Operating, it was learned later, with a direct phone line to the Justice Department in Washington, he outlined a plan for three major stamp companies to be formed from the mergers of the existing companies. Skirting the edge of the anti-monopoly law, each company would be dominant regionally, as his firm already was in New England. He demanded, also, that each company pledge enough securities in stamps to ensure that every premium of every stamp company in the nation would be redeemed.

The stamp panic passed in the fall of 1969, and three companies, Federated, Amalgamated, and United, were left in control of the stamp business. The earthquake caused by the stamp panic was not without its aftershocks, however. Conservative elements in Congress demanded government regulation of the stamp companies. To this end, the Stamp

Act was introduced in the 1970 session of Congress. In effect, this gave the Securities and Exchange Commission the same power over stamp trading as it had over stock trading. It also formed a Federal Stamp Bank to regulate the stamp clearinghouses, which now had assumed all the functions of normal banks, including the mortgaging of homes and auto financing, all with trading stamps.

Proponents of the act hit hard with the argument that trading stamps were assuming the functions of money, thereby usurping a right of the government.

Although the Stamp Act was enacted into law, it carried with it the seeds of its own downfall. The political argument over its passage divided the country as no other issue had in recent times. When the political lines were cleanly drawn, it was money versus trading stamps. The proponents of money were branded as the "idle rich," and the trading stamps were given the political label of the "money of the people." It was "government monopoly" money against "free enterprise" money.

After the election of 1972, it became obvious that opposition to trading stamps was political suicide. In the entire nation, not one candidate who opposed trading stamps was re-elected. With the virtual collapse of political opposition, J. P. Smiley called another locked-door meeting of the tycoons. Included this time were leaders of government.

On March 4, 1973, a bill was introduced into the House of Representatives providing that, within the domestic economy, trading stamps were to be accepted as legal tender, on a par with the money of the government of the United States. A call for debate in both the Senate and House was met with almost deathly silence. Upon the virtually unanimous approval of the act, a test case was rushed to the U.S. Supreme Court.

The 5-4 decision provided that trading stamps were not money but a substitute therefor, and did not infringe upon the prerogative of the federal government, as stipulated in Article I, Sect. 8 of the U.S. Constitution, "To coin money, regulate the value thereof. . . ."

And thus it was that, on April 1, 1973, the federal government began paying off the national debt, in trading stamps.

The Neurotic's Notebook

MIGNON McLAUGHLIN



Women are the right age for just a few years; men, for most of their lives.

Home is a place you can leave whenever you like, but they can't put you out.

To smoke or not to smoke: I can make of either a lifework.

Those who turn to God for comfort may find comfort, but I do not think they will find God.

The gambling fever, once it has passed, is as impossible to remember as pain.



Neurosis is no worse than a bad cold; you ache all over, and it's made you a mess, but you won't die from it.

The chief reason for drinking is the desire to behave in a certain way, and to be able to blame it on alcohol.

The neurotic's strongest fantasy is that he has no fantasies. The real is very real to him, the unreal even more so.

There are children born to be children, and others who must merely mark time till they can take their natural places as adults.

Women's minds are like their purses, full stocked, mostly with junk.

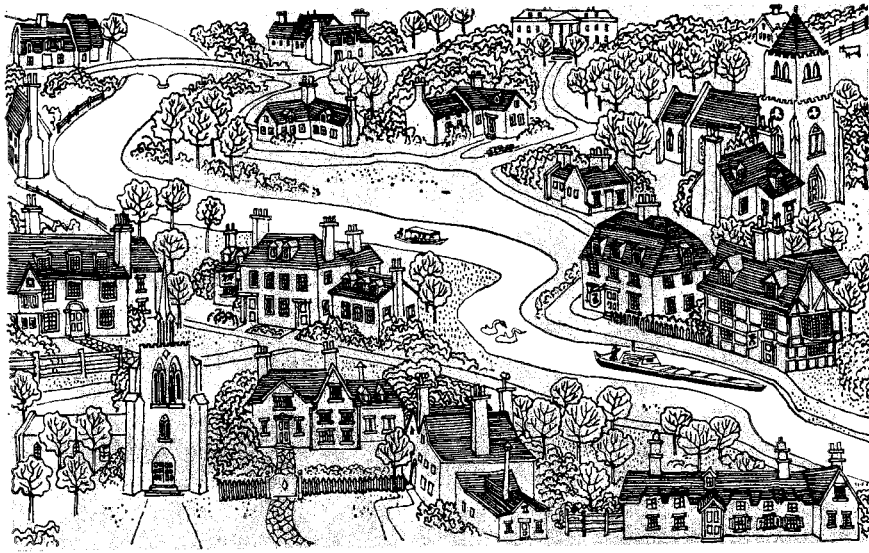
We are always surprised to see girl babies behaving like girls from the very start, and boys like boys; we seem to imagine that *we* had to learn it.



Doodles courtesy of Charles W. Morton.



pleasures and places



TOURING BRITAIN'S WATERWAYS

BY MITCHELL GOODMAN

The traveler in England who would rather not keep his eyes on the road and its swarming habitués has a real alternative, as fresh and serene as it is unexpected. He can leave the road altogether and take to the water — overland. The water in this case is represented by the rivers and canals in the two-thousand-mile-long system of inland waterways, a currently reviving eighteenth- and nineteenth-century creation that opens up a new perspective and brings back, with ease, comfort, and great economy of means, all the quiet charms, the leisure, the pure rustic *Englishness* of the time before the Flood (of motorcars). The guidebooks hardly mention the inland waterways, but for him who likes to be on the water — still water that weaves itself closely into the landscape and the life — it would not be hyperbole to call this slow uncomplicated approach to England one of the most satisfying of European holidays.

Out of their ancient predilection for messing about in boats, the English have of late acquired a passion for their rivers and canals. From this has come a thoroughgoing develop-

ment of facilities for pleasure travel, of both the guided and the do-it-yourself varieties, on these largely pastoral waters. River steamers, canalboats, motor cruisers, camping punts, sailing yachts, canoes — the paraphernalia and organization are all there, whether for a summer evening's water-bus view of London's tideway panorama or a month-long cruise in a horse-drawn hostel boat through the Midlands and on into Wales.

The choices of means and itineraries are many, even to the point of bewilderment. There are, for example, fifty or more boatyards where cruise or hire facilities are available, in as many towns and villages spread all through this extensive and interconnecting water network. But for the sake of clarity the whole of it can be broken down roughly into two parts: the Thames and its valley, and the canals — the first for the traveler who lacks time or is feeling sociable and wants to linger with the natives on their favorite pleasure ground; the second for him who has at least a week to spend without haste and who wants his Constable landscapes, his waterside inns and

villages in unheard-of peace and quiet, even in solitude. Given a week or more, these two contrasting atmospheres can be combined with beautiful simplicity, for the Thames at Oxford leads on into the canals, and these, branching in all directions through the Midlands and to both coasts, lead on to the north country.

The prerequisite for a slow-moving holiday is to lose no time arriving. The BOAC jet flight to Manchester (with a stopover in Scotland if you like) ensures this speed, cuts the fare cost, and adds great convenience by avoiding the sticky London complex and placing the traveler practically in the midst of the most appealing canal counties, close to crucial cruise-base towns like Chester, Stretford, Market Drayton, Stone, Penkridge, and Nottingham. If London is to be the ultimate destination, then it can be approached, as it ought to be, in its most majestic aspect — down the Thames.

With three days or a week to spend, the novice in England finds himself looking for a key, something strong and typical that will take him quickly, coherently, and with great depth of impression inside the country. The Thames, carrying through its lovely valley and accessible hinterland so much of English character and history, is that key.

The English call it Old Father Thames and, with Spenser, "Sweet Themmes." It is their mainstream; not a mighty river, certainly, but a noble one. Through London's heart it is magnificent with towers, spires, domes, and river traffic. Above the city it becomes increasingly placid, a meandering country stream of swans, anglers, boatmen, of castles and manor houses, of lock-keepers' gardens, and of many old riverside inns called Trout, Swan, Ye Olde Bell, Catherine Wheel, White Hart, and Compleat Angler. A clean, well-tended river it is, dedicated to pleasure. Its long history runs from Saxon coronations at Kingston to Runnymede and Magna Charta, and to the late-June festivity at Henley regatta.

Scaled to man's easy grasp, the Thames composes the varied life along its 216-mile course into a harmonious whole — a ripe slice of England from seascape to metropolis to market town. It is the kind of river that brings both countryside and great city insistently close, in much the same way as the water-

ways of Amsterdam and Venice. No roadway interposes itself between river traveler and house fronts; he glides past cows in a field, boatyards, landing stages, and steps leading to



gardens, village streets, and the amiable dining terraces of inns.

The river leads us to the English at their most relaxed — the weekend fishermen on the wide green banks at Pangbourne, their women a little way back preparing picnics under the trees; a garden party on the lawns of a great house; or all the people at play on the water, in punts and kayaks, sailboats, motor cruisers, and canoes. And at night in a secluded backwater one comes upon a convivial cluster of camping skiffs and punts, lights aglow beneath their canvas awnings, a kind of holiday-makers' village on the water.

All up and down the Thames are boat liveries — at Oxford, Maidenhead, Sunbury, Runnymede, Bourne End, Bray, and Hurley — where almost any craft can be rented at a reasonable cost for an hour, a day, or a week. At Ladye Place Boat-house in Hurley, for example, on a very fine woodland reach of the river between Marlow and Henley, the more enterprising traveler can equip himself with everything from cruiser to houseboat to "caravan and chalet," and with tents and camping gear.

Seen from the water, the otherwise predictable set pieces assume new dimensions: the royal palaces of Windsor, Hampton, Westminster, and Greenwich; the towers of Eton and Oxford; London's bridges and the Tower; the dark mass of Cliveden woods. Between Kingston and Oxford one stops to visit a string of old river towns, rich in association with princes, prelates, poets; doubly rich in handsome bridges, houses, taverns, and inns.

There is Abingdon, still a farmers' market town, with the remains of a great abbey, ancient almshouses still in use, and a notable coaching inn, the Crown and Thistle; Dorchester, a village that was once a Roman station, a Saxon stronghold; and the cathedral city of Wessex, made warm and welcoming by the White Hart and the George; Wallingford, with its George and its Lamb, where the main street crosses the river on a twelfth-century bridge; or the attractive inns and almshouses of Bray.

The Thames is navigable for all but eighteen miles of its course; the locks are all tended; navigation presents no problems, even for the beginner; mooring places are plentiful. Stop off at Cookham for its tree-shaded waterways, bell ringers, the Bell and Dragon (very old and fashionable, one of the best eating places in England), and the short drive through wooded hills to three of the Thames's many great houses — Taplow Court, Hedsor, Cliveden — close together on the high, green Buckinghamshire bank.

Stay overnight at Clifton Hampden, where the six-arched bridge leads to the thatched Barley Mow Inn; and walk in the morning into the Sinodun Hills, crowned with prehistoric fortifications, for commanding views of the Vale of the White Horse and the Thames Valley. The inland walks everywhere in this upper Thames countryside are as inviting as the river itself. For instance, stroll from the little market town of Wallingford to its neighboring villages, or from Benson three miles to Ewelme and on into the Chiltern Hills. One might also follow the quiet tributary streams — Loddon, Pang, Kennet (renowned for trout), and best of all, perhaps, the Windrush, which leads from a perfect Thames-side base, the Rose Revived in tiny Newbridge, to the gayest and most harmonious of towns hidden away in the Cotswolds.

There are at least a dozen other towns of great charm along the Thames, each with its inn of character and, often, of culinary reputation. The awninged dining terrace and exceptional wine list of the Hind's Head at Bray, the White Hart with its rose garden at Sonning, the George and Dragon at Wargrave, the Old Bell at Hurley, and the Compleat Angler at Marlow are inns to look out for.

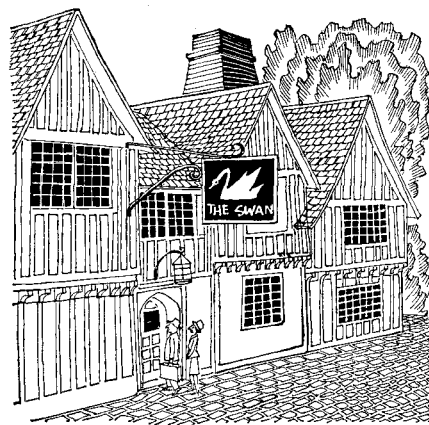
Other inn towns of note are Hen-

ley (Old White Hart), Hampton Court (Mitre), Godstow (The Trout), and Lechlade (New Inn), a lovely small market town thirty miles and three hundred years away from Oxford (at the furthest limit of navigation) in those upper reaches so lovingly described by Matthew Arnold, William Morris, and Shelley, who wrote here of "sweet solemn spells."

Between Oxford and Lechlade the pleasure-boat man is thrown back to an earlier England, a half-forgotten gentle wilderness of water birds and willows and water meadows. Excellent fishing exists in these reaches and backwaters, and the comeliest peace in the English countryside; yet none of it is as much as two hours by rail from London.

Oxford, terminal point for the regular 91-mile run of the river steamers (a three-day trip with many stops, or stopovers, if one likes, and awesome afternoon teas in the saloon), makes the ideal excursion center on the upper Thames. It has excellent boat- and car-hire facilities, is a center for the train and bus network that infiltrates all of the Thames hinterland, and provides the good accommodations so typical of the whole area. There is, for example, the superior old inn called Hopcrofts Holt at nearby Steeple Aston, and the Mitre and the King's Arms in the city itself.

The river can also be traveled in a week-long cruise from Hampton



Court to Oxford, twelve passengers living aboard a boat, in the midst of such refinements as a bar, bath, and stewards, for \$70.

The canals are even more leisurely. In a "cut" usually no more than fifteen yards wide the narrow-boat meanders along at three miles an hour, and nothing else in sight is moving any faster. Winding through

secluded meadow and woodland, up and down hills, the boat slides with a placidity that leaves the tea calm in the cup, the birds unruffled on the trees, the nerves in unearthly tranquillity. One eats well, six times a day — early morning tea, breakfast, midmorning coffee, lunch, afternoon tea, dinner — often with wine on the table. There is a bar, and the other amenities one might expect of a good hotel for twelve.

The canal cruise makes for a compact floating world — one diesel-powered longboat, half Noah's ark and half gondola, towing its twin "butty" — that provides a penetrating view of a half-forgotten England, enhanced by that peculiar congeniality of all water travel. Remote from the midsummer madness of roads, one is carried back to old-fashioned wild flowers and to a man-made scene that ranks as one of England's architectural triumphs — the eighteenth- and early nineteenth-century canal complex of lock cottages and quaint warehouses, inns and humpbacked bridges, aqueducts, ramps, bollards, and balance beams.

Leisure and a contentment gained without benefit of organized entertainment are the end-all of this travel that is totally unlike any other. All urgency about getting somewhere or seeing everything falls away. There are no packing and repacking, no reservations or schedules or tips or porters to think about. Once under way one is among the fishermen and farmers and villagers, the church steeples and market towns, the children who rush with greetings across cottage gardens.

The countryside along the canals is not crowded with tourists, and the residents are glad to see the visiting narrow-boat. The canal-cruise companies, small and usually managed by an owner who is a canal enthusiast, go out of their way to cater to people who value this rare peace and simplicity, a fact which tends consistently to bring them companionable groups of passengers.

The narrow-boat, fitted as compactly as a dollhouse, is seventy feet long but only seven feet in the beam. But this is wide-spreading country for the most part, and one lives largely in the open, riding the flat cabin top or reclining on the well deck. Then, for a change, it is only a step from deck to tow path and an unencumbered walking tour, as leis-

urely as the "hotel" that loyally follows the stroller.

Where a lane leads away from the canal bank to a village, a great house, or an inn, the walk can become an excursion, and the boat, at its walking pace, pausing here and there at a lock, is never far away. Furthermore, the excursion — by bicycle, country bus, or taxi — can become an all-day tour to Coventry, or Chester, or some lovely, neglected cathedral town like Lincoln; or to Georgian Stourport, the handsomest of all canal towns, which stands, with such deeply rewarding places as Worcester, Tewkesbury, and Gloucester, along the Severn Waterway. Meanwhile, the "hotel" catches up with the walker (or arrangements have been made for him to meet the boat further along, at its mooring place for the night).

Canalboat cruises, of from one to four weeks, are usually broken into periods of one week, or about a hundred miles, and the traveler who reserves well in advance can choose the ones he likes. For all their serenity, the inland waterways are not without their high color, contrast, and excitement; and they come with a large variety of landscapes. The Llangollen Canal, for example, most beautiful of them all, climbs great stairs of locks through the Marches of Shropshire and passes over the staggering thousand-foot Pont-y-Cysylltau aqueduct, 121 feet above the River Dee, on its way to the mountainous heart of Wales.

One of the companies, Canal Voyagers, Worcester, combines, for the two-week passenger, a trip on the Llangollen with one of two other interesting routes. Canal Voyagers' narrow-boat Saturn, once a traditional "cheese boat" on these same waters, goes in one week from Chester, with its Roman walls, through castle-studded border country, then up to Llangollen, site of the International Eisteddfod (July 11 to 16), which Hazlitt called the "most beautiful and delightful little town in Wales or anywhere else." To this, if one starts at Llangollen, can be added the run on sections of four other related canals that climb, finally, over five hundred feet into the hills of Derbyshire to Whaley Bridge on the Peak Forest Canal, a waterway to be compared with the Llangollen itself.

The third alternative here is the trip from Chester south to Stourport,



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first on the Shropshire Union Canal, through remote country with fine distant views, then on the contrasting Staffordshire and Worcestershire, which twists and turns through wooded and rocky valleys. The BOAC passenger to Manchester is very close to the Whaley Bridge turnaround point and can begin the cruise there on several dates of the mid-April to mid-October season; also he is only about thirty miles from Chester, this company's main embarkation point. The cost is \$50 to \$55 a week per person, mid-May to late September; \$35 to \$40 in early spring and fall.

The inland waterways, it should be noted, are no mere bit of quaintness, no cruise in a teacup. Given the time to indulge in stages of fifteen to thirty miles a day, one can see most of the English counties and some of Scotland and Wales. The seven canal-cruise companies operate for the most part in unspoiled Midlands country, from Chester on the west coast to Boston on the east, and from the Peak district near Manchester all the way down to Oxford. Their names and addresses are Canal Voyagers, Diglis Basin, Worcester; Inland Navigators, and Inland Waterway Cruising Company, Braunston, Warwickshire; New-Way Holidays, Brownover, Warwickshire; Waterborne Tours, Penkridge, Staffordshire; Waterway Projects Limited, Stretford, Lancashire; British Waterways, Lime Street, Liverpool.

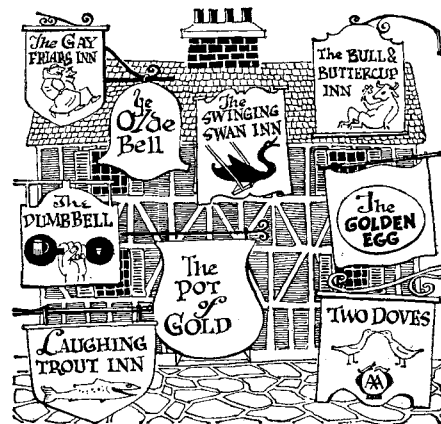
But the independent traveler in his hired cabin cruiser can go much further, combining the various connecting waterways to his taste. For instance, starting from the main base of Maid Line Cruisers, Limited, at Thames Ditton (twenty-three minutes from Waterloo Station in London), he might go up the Thames to Lechlade, then back to the lovely Oxford Canal and north to Braunston, Warwickshire, a canal village of great interest, where one can still see the narrow-boats being built, then painted with the traditional "roses and castles" — the one surviving English folk art. From here he might circle back to Ditton, which is on the southern section of the Grand Union Canal and is surrounded by the colorful life of the commercial canalboat folk. On the way, he can stop at canalside inns like the Hunt at Leighton Buzzard.

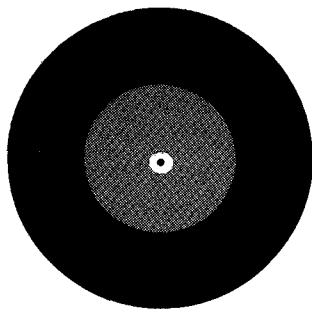
The traveler may, instead, continue northward, following the many

ramifications of the Midlands waterways through eight or ten counties to Leicester, Nottingham, Chester, Llangollen, and a hundred other waterways towns and villages (and inns) worth stopping for. Often the Maid Line boats can be boarded at the alternate bases at Braunston or Stone, in Staffordshire; or left there at the end of a one-way cruise. The cost of a good, fully equipped four-berth cruiser for a week varies with the season, from \$50 in March and October to \$125 in midsummer. Anyone who drives can handle these craft, but attendants are available at \$30 a week, plus board.

Cruisers can be hired from thirty or more widely scattered firms, most of them in the Midlands. Some, like those in Nottingham and Ely, stand at the approaches to rather isolated but very beautiful waterways — in these cases, respectively, the Trent-Fossdyke and Witham combination, which goes to Lincoln and Boston, and the Great Ouse and Cam, which lead to the wonderful landscape and villages between Ely and Earith and to the great medieval port of King's Lynn, which has a festival from July 22 to 29, and to Cambridge. Other hire firms are located in such delightful and strategic waterway towns as Stourport, Tewkesbury, Braunston, Chester, Llangollen, and Preston, which gives access to the unusual Lancaster Canal, with its views of sea and mountain on the way to the Lake District.

Details are to be had from the British Travel Association offices in New York, Chicago, Los Angeles, and Toronto; Inland Waterways Association, 4 Emerald Street, London, W.C. 1; Workers' Travel Association Limited, Gillingham Street, London, S.W. 1; and the Divisional Offices of British Transport Waterways in Leeds, Watford (Hertfordshire), Liverpool, and Gloucester.





Record Reviews

BY HERBERT KUPFERBERG

Beethoven: Piano Sonatas No. 3 in C Major; No. 9 in E Major; No. 22 in F Major; No. 12 in A-flat Major; and No. 23 in F minor, "Appassionata"

Sviatoslav Richter, pianist; Columbia M2L-272 (monaural): two records

This is a record in the sense of a historical repository as well as of a musical re-creation, for this album consists of an on-the-spot recording of the great Russian pianist's American debut at Carnegie Hall on October 19, 1960. It is all there, including the occasional unsuppressible coughs from the audience, and the infrequent wrong notes from the pianist. Richter's program that night was deliberately uncompromising, with many in his audience waiting patiently through four of the less celebrated Beethoven sonatas to get to the *Appassionata*. But Richter's prodigious technique and keen insight are as illuminating in the early sonatas as in the late. Columbia says it has made a deal with Mezhdunarodnaya Kniga, the Soviet trade organization, to publish the first five of Richter's Carnegie Hall appearances. If so, it might do well to curtail the outbursts of applause, which resound less pleasantly in the ears of a record listener than in those of a performer.

W. A. Mozart II: Sonata in E Minor for Cello and Piano, Op. 19

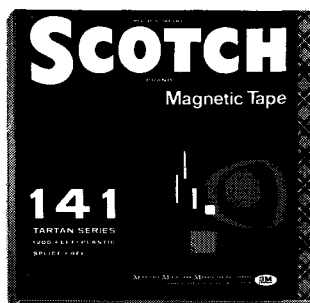
W. A. Mozart: Andantino in B-flat for Cello and Piano

Bonifacio Asioli: Sonata in C for Cello and Piano

George Neikrug, cellist, and Harry Kaufman, pianist; Society for Forgotten Music S-2010 (stereo)

One of the disappointments life spared Wolfgang Amadeus Mozart was that of hearing his son's dull and pallid music. The boy, baptized

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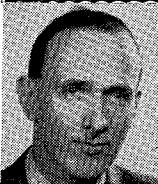
Critics search for adjectives to describe the sound of Leontyne Price's voice ("unfurling like a bright banner", "pure velvet", "rings out from C to shining C", etc.). This "supreme soprano" stamps an exciting personal signature on every note of every role she creates. Her new and opulent soprano sound is another of the many musical worlds whose highest peaks, widest ranges, most individual accents are completely capturable on "SCOTCH" BRAND Recording Tape.

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**What's New
in High Fidelity**
by Edward Tatnall Canby
Author "High Fidelity and the
Music Lover" (Harper), record re-
viewer, radio musical commentator.

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Franz Xaver Wolfgang, was only five months old when his father died in 1791; later on, when he became a composer himself, he hopefully adopted the parental name. Most of his adult life was spent in the city of Lvov, in the Ukraine, where he must have been a musical lion. His music is unplayed today and, if this cello sonata is a fair example, for ample reasons; it is conventional in structure and undistinguished in content. Bonifacio Asioli, also making a delayed debut on records, was an Italian who lived from 1769 to 1832; his cello sonata shows much craftsmanship and little inspiration. Also included is a fragmentary movement for cello and piano by the great Mozart, left uncompleted after thirty-four measures. It offers by far the most rewarding five minutes of music on the record.

The History of Italian Music, Vol. I: From Gregorian Chant to Giacomo Carissimi

Directed by Cesare Valabrega, under the auspices of the Italian State Record Library and the International Music Council with the collaboration of UNESCO; RCA-Italiana LM-40000 (monaural): ten records

Two classes of listeners will particularly covet this lavish leather-bound album imported from Italy: scholars and status-seekers. For either, the price is \$80, making it probably the most expensive album on the market. But the musical riches are abundant, too, for the survey begins with Gregorian and Ambrosian chants and ranges through the secular and sacred polyphony of the fifteenth and sixteenth centuries, the madrigal, and the beginnings of opera and oratorio. Palestrina, Peri, and Monteverdi are among the great names represented, but many of the delights are by the lesser known and even the unknown — for instance, a thirteenth-century lyrical passion play so dramatic and moving that it leaves one hanging on every word; some lovely Renaissance lute and flute music composed by, among others, Vincenzo Galilei, the father of Galileo; and a selection of charming sixteenth-century songs. The performances, by a variety of Italian soloists and ensemble groups, are anything but musty; the sound is richer than RCA sometimes achieves on its American records. The handsome 110-page, album-sized booklet, illustrated with color reproductions,

is comprehensive, authoritative, and printed in English, but the Italian and Latin vocal texts are left untranslated, inexcusably. Three similar ten-record albums will eventually carry the series into modern times.

Langston Hughes: The Best of Simple

Melvin Stewart, monologist; Folkways 9789 (monaural)

Simple — otherwise, Jesse B. Semple — is the loquacious, beer-drinking, shrewdly observant Negro folk hero created by Langston Hughes, the poet. He has appeared in a weekly newspaper column, three books, a Broadway play, and on television, but a record sets forth his wry and pointed humor as aptly and as durably as any other medium. Mr. Stewart, who has played Simple on the stage and in television, delivers Simple's comments on such matters as interracial seminars, army integration, and "jazz, jive, and jam" with such conviction that you're sure he shares Simple's views. Particularly memorable is the way Mr. Stewart, reciting an imaginary eulogy over Simple's dead body, swings almost imperceptibly into the rhythmic cadences of a Negro funeral chant.

Martha Schlamme in Concert

Martha Schlamme, folk singer, accompanied by Tanya Gould, pianist; Maurice Bialkin, cellist; Leonard Portnoy, woodwinds; Jerry Silverman, guitarist; MGM S-3978 (stereo) and 3978

Sixteen songs, six languages, and a singer with a resolute and musical voice — that would about sum up this stirring folk-music program, recorded in concert at an unspecified locale. Miss Schlamme is a girl with a good measure of what used to be called social consciousness; she pours particular conviction into two Irish ballads — one a song of the potato famine of the 1840s ("The praties they are small, And we ate them skin and all"); the other, said to be the original version of *When Johnny Comes Marching Home*, a deeply moving, dirgelike song of a blind and crippled soldier returning from his last battle. Other standouts include *Surabaya Johnny*, a bitter little masterpiece by Kurt Weill and Bertolt Brecht from a drama called *Happy End*; a Spanish Civil War marching song; and a delightful childlike ditty entitled *Oliver Cromwell*. A versatile singer, Miss Schlamme.

BOOKSHELF

THE ATLANTIC



Karsh

The Peripatetic Reviewer BY EDWARD WEEKS

JACK RUSSELL, whose life was snuffed out so swiftly by an automobile in Nogales last January, was a Canadian who had done more to make the Atlantic salmon respected and protected than any other angler I can name. Jack was ruddy, chunky, and fiery; he set high standards and fought to preserve them; he was courteous, and he had that sense of civility, a heritage from England, which is found in the best of the Dominion. He nicknamed me "Simon Legree" because on one memorable visit to his camp on the Southwest Miramichi I compelled and cajoled him to talk out his book *Jill and I and the Salmon* at the rate, very nearly, of a chapter a day. Of course, it took filling in afterward, but we recaptured the whole zestful panorama in those eleven days.

Jack had two lives. His parents were Canadians, born in New Brunswick, but as a boy he was reared in Utah; he witnessed the San Francisco earthquake and enjoyed one week's exposure at Leland Stanford before moving on into a more congenial element. He was a born salesman, and, coming of age when motors were fresh on the market, he devoted his eager, attractive, sometimes irascible energies to selling Fords (the model F), Studebakers, the Maxwell, and the Chrysler; in his selling he roved from Scotland to the Continent to Saint Petersburg; and at the age of forty and still a bachelor, he was brought to the point of exhaustion by hypertension. The doctor gave him an ultimatum. "My advice is to get out of business and live," he told Jack. Jack's assets were a few thousand in the bank and a tiny fishing camp in Maine. But he had one other, of incalculable value: he had fallen in love with Jill, a beautiful and intelligent ballet dancer considerably his junior, and when she married him they embarked upon Jack's second career, in which he actually seemed to grow younger. He was eighty when he died.

You must read his book to see by what fortuitous and amusing turns they came at last to Ludlow,

New Brunswick, where Jack had leased a series of magnificent salmon pools, and where, in the depths of the Depression, with labor at a dollar a day, he built the best appointed, least expensive salmon camp open to the public in North America. Food, cabin with hot water and shower, boat and guide, all for \$12 a day. The word got around; and the fine anglers — Anne Morgan, the cartoonist H. T. Webster, Ray Bergman, Ben Ames Williams, Richmond Fearing, Dr. "Chub" Newell, John Hutton, and Richard E. Danielson — came as eagerly as did the colonel from Georgia who had never handled a fly rod. Jack attracted good guides, and Jill, good cooks; here their two sons were born and brought up; and just as Jack took good care of "the sports," so he took good care of the river, the great, broad Southwest Miramichi.

In the provincial legislature and at Ottawa, Jack strove to regulate the catch of the steam trawlers at the river's mouth, just as he struggled to reach a reasonable compromise with the owners of the set nets, which prey on the entering salmon for miles upstream. It is one of the hardest things in the world to keep a river clean and alive.

Other times, other men. Jack Russell is gone. Today the men most listened to in Fredericton, the capital of New Brunswick, are the industrialists and mining magnates of Toronto who have been seeking for the East Coast Smelting and Chemical Company, Ltd., powers of water use, water diversion, and land expropriation, which, if they are granted without the customary legal safeguards, could result in the industrial pollution of the Miramichi river system.

The Maritime Provinces for generations have lived frugally on lumber and fishing; then, when the great deposits of lead and zinc were recently discovered and the mines were opened close to the spawning grounds of the salmon, a conflict of interest developed which can be ominous if not fatal. After the mines come the smelters, and

smelters need a huge volume of water. The Canadians have a reputation for preserving their rivers and the sea-run fish in them as we have not, but money talks, and when it talks of a "fifty-million-dollar combine" of mining, smelting, and chemical works which will "reshape the whole future of New Brunswick," what chance has the salmon?

The Tobique, the finest of the rivers flowing into the St. John, has been strangled by the new power dam at Beechwood; today only a trickle of fish make their way up the elevator and through the miles of warm dead water, and tomorrow there will be none. It is sad to see the beautiful St. John so denuded, for salmon will not return indefinitely if they cannot get to their spawning grounds, but will this same process of extermination be extended to other river systems? One sympathizes with the provincial officials who must decide this case, for the welfare of the entire community must be considered. One has a grudging sympathy for the mining and smelting interests, for the depollution of industrial waste is costly, but surely it is not too costly for the long future. We must hope that the nerve for conservation is still as responsive as the pocket nerve in the Dominion.

RECREATION IN THE FUTURE

Last year eighty million Americans visited our national forests, and this incentive to drive the family to the Rocky Mountain National Park or to Yellowstone or Alaska or the Presidential Range or Cape Cod will increase as the workweek shortens. In 1958 a commission, under the chairmanship of Laurance S. Rockefeller, was established by Congress and the President to look into the recreational resources of the nation now available and to determine how much more we will need in the next four decades. Their report, **OUTDOOR RECREATION FOR AMERICA** (Superintendent of Documents, Washington, D. C., \$2.00), is an all-embracing compilation. The text and statistics are pointed up by a fine selection of photographs, and, what is best, they are aimed at the future. They show that we have no shortage of recreation areas, whether for those who want to pack and portage, those who want to tow their own outboards, or those who simply want to get out and look. They also show that there are at present in the federal government "some 20 agencies which have a direct or indirect interest in outdoor recreation." This lack of coordination has gone unchecked year after year; it has deprived us of any central, forward-looking policy.

The way out of this maze, says the report, is for Congress to set up some new ground rules by establishing a Bureau of Outdoor Recreation in

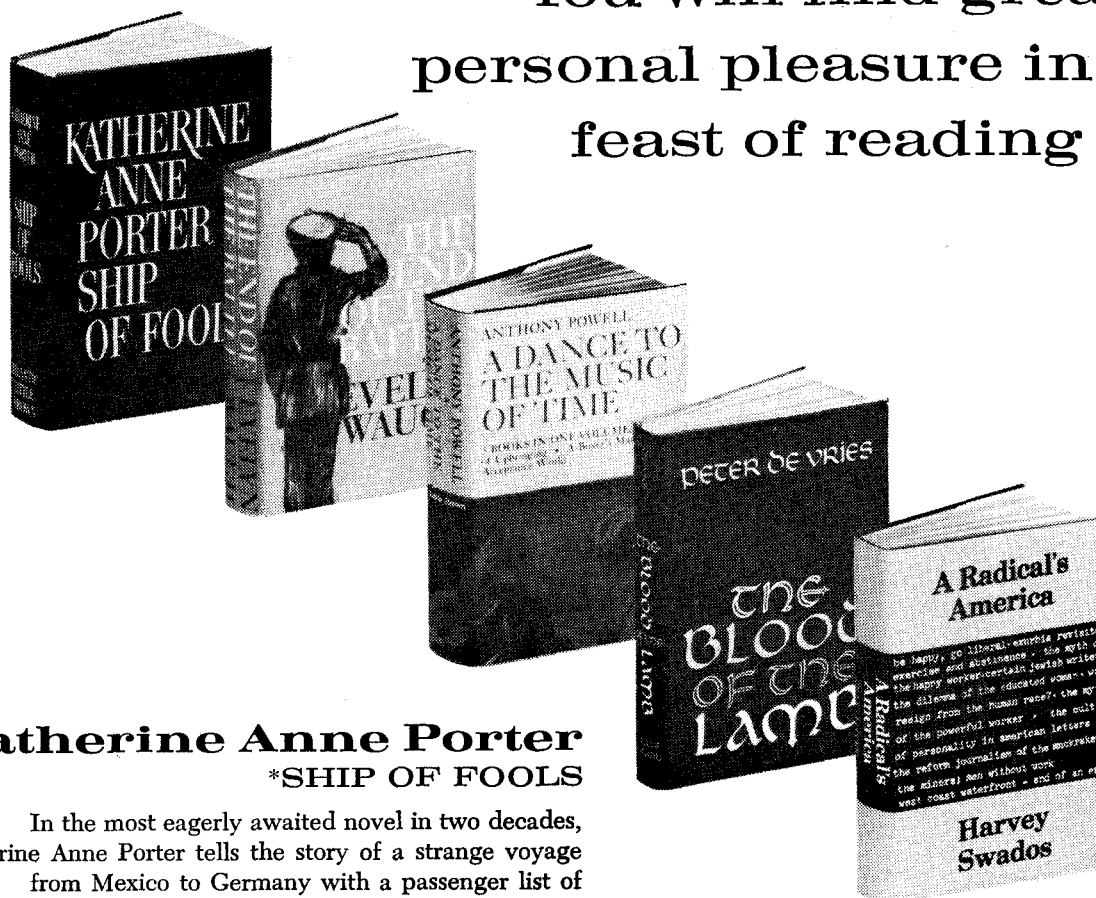
the federal government. The most valuable part of the text recommends what this bureau should do against the dangerous encroachments; how it should stimulate the private donations which have supplied such a generous part of the National Park System; how the funds to finance the essential new areas can be found; and, above all, how we are to preserve and make the fullest use of our most valuable resource, our water. The chapter on water alone is worth the price of admission.

MAN IN SEARCH OF HIS PAST

The English novelist R. C. HUTCHINSON takes a long and reflective preparation for each new book. In the writing of it, he makes very little concession to popular taste, and when it is done, the narrative demands close attention, yet in my judgment this attention is generously rewarded. **THE INHERITOR** (Harper, \$4.95) is the intricate, absorbing story of a man's search for his own parents. Vincent Levesque was born in Belgium and raised as a foundling. With his quality of mind and irrepressible vitality he makes a place for himself at Louvain as a teacher of history, and at this point, the invading Nazis impress him into a labor battalion in which he suffers a hard battering on the Russian front. He learns through the underground that his young wife Germaine has been unfaithful to him, and when, gaunt and bearded, he returns at the war's end, it is with no taste for his former existence and little desire to live.

What arouses Vincent from his lethargy is a mysterious will emanating from an English benefactor, a merchant of Bristol whom he suspects of being his father. To learn the truth he makes his foreign but observant way to Bristol, and as a paying guest takes up residence in the very rooms of his benefactor, attempting to live in discreet familiarity with the cousins who are seeking to deny his existence and to break the will. Mr. Hutchinson succeeds in making this delicate situation of intense and plausible concern; in his novel about the Dreyfus case, *Shining Scabbard*, he wrote with a singular knowledge of the French temperament, and now, in his new book, he seems equally sure of the Belgian. The Continental reserve and the mannerisms of the inheritor are in sharp contrast to the amiability of his English cousins: the charming Lucille Selborne, the widow-hostess who early begins to suspect Vincent; her decorative and indolent soldier son John; and Ruth, the tall, lonely librarian whose pity and devotion the foreigner awakens. In the foreground we see the Belgian's effort to equate himself with this trio — shall he press for the property or let them have it? — and introspectively we follow his painstaking, often obstructed endeavor to

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Peter de Vries's new novel is a departure from his previous books. Religion and human meaning recur as basic themes in scenes wildly comic and deeply moving by turns in this story of someone who loses his faith as a child when his brother dies and tries to recover it in manhood when his daughter's life is threatened. \$4.00

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discover the true nature of his father and the whereabouts of his mother, who is still living.

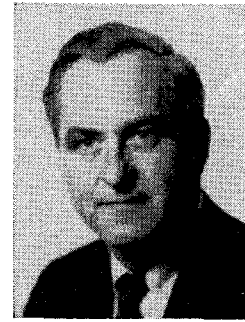
The theater of this novel is Vincent's heart. Shall he surrender to Ruth, who has followed him to the Lowlands, or shall he seek with Germaine a reconciliation from which all love has fled? The crisis is built up with subtlety, and it is the skill of the narrator to leave us at the end still wondering whether Vincent's decision was the right one.

HOW DO YOU REACH THE POOR?

BARBARA WARD is a highly trained economist with an extraordinary capacity for throwing fresh light on history in the making. She is also a believer, and the faith which she places in the resourcefulness of the West to maintain its strength and freedom in a threatening world has made her books a beacon. Her trenchant new one, **THE RICH NATIONS AND THE POOR NATIONS** (Norton, \$3.75), is a realistic and inspiring assessment of our complex and divided world.

She speaks of the four revolutions — "of equality, of this-worldliness, of rising birth-rates, and of driving scientific change" — all of which started in the North Atlantic community and all of which have spread. She shows how economic growth and the growth in population have come forward in balance in the West over a period of two hundred years, but elsewhere in a rush, and she shows how, in the speed and size of our wealth, we have outstripped all others, not least our colonies, leaving a gap between the rich and the poor which is "the most tragic and urgent problem of our day." She compares the great sharing of wealth with the workers in the West, which Marx never foresaw, with what happened in the emerging Communist system. "The revolution," as she says, "which was to have liberated the workers and peasants submitted them to a discipline of forced saving more rugged than anything imposed in the unplanned West." She is grimly aware of the mood of psychological frustration to which Communism can speak in the new nations, and in her chapters "The Economics of Development" and "The Politics of Development" she makes a clarifying analysis of what we must do if we are to reach the undeveloped countries in their present predicament, matching the Communists "policy for policy, vision for vision, ideal for ideal."

Miss Ward's interpretation of the historical process which has plunged us into this dilemma is ever fresh and concise. I wish I did not have to add that she occasionally slumps into the economist's shorthand. When she uses "massive" three times in one paragraph, one cries aloud for better editing, for this "massive" use of Madison Avenue English has no place in her vocabulary.



Reader's Choice

BY WILLIAM BARRETT

RICHARD HUGHES has suffered the unpleasant fate of being a one-book author. *High Wind in Jamaica*, published in 1929, was a book like no other, as innocent and cruel as the beautiful and murderous innocence of the children's minds that it portrayed. Thereafter, Mr. Hughes was not altogether silent; nine years later he brought out a brief but brilliant novel, *In Hazard*, about a storm at sea, and there were also two slight but very charming books of nonsense stories for children. But none of these caught the public's attention, and Mr. Hughes was thought of as dead or as having given up writing. If his name came up at all in discussion, it was usually with the accompanying query, "But what *has* Richard Hughes been doing all these years?"

Well, all these years Mr. Hughes has been writing (though most of it, we are told, is unpublished manuscript), and he is now a one-book author no longer. **THE FOX IN THE ATTIC** (Harper, \$4.50), the first of three or four historical novels projected by Mr. Hughes under the title *The Human Predicament*, ought to satisfy even the most ardent of his early admirers. If "genius" was the right and inevitable word one had to apply to *High Wind in Jamaica*, just as surely is it the word for the qualities of writing and vision of this new novel — even now, when the design of the series is still to come.

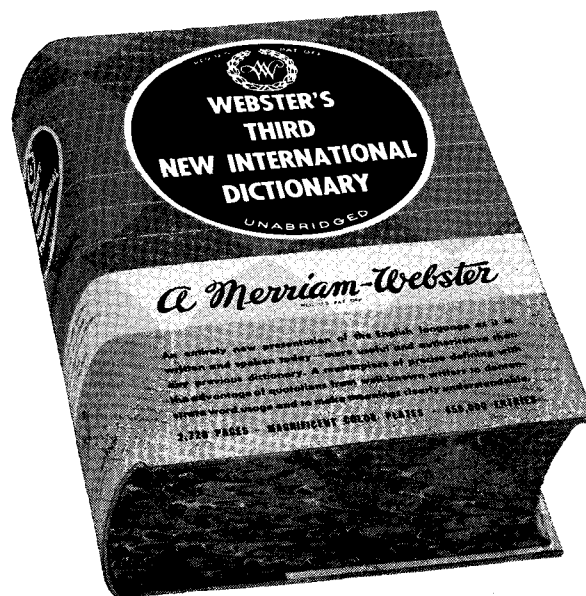
Mr. Hughes's principal theme is already abundantly clear. Born in 1900, he is just as old as this century, whose history he consequently feels as his own personal fate. When World War I ended in 1918, he was waiting to be called to the trenches. Between himself and the young men who had been at war and had come back there was a gulf; between himself and his elders, an abyss. World War I had severed his generation from the past. It also had knocked the props of tradition out from under this century. Henceforth, those who were to grow up in our time would be pushed into a search for their souls without the help of the props of the past.

Accordingly, the young hero, Augustine Penry-Herbert, is twenty-three (just as old as Mr. Hughes and the century) when the action starts in

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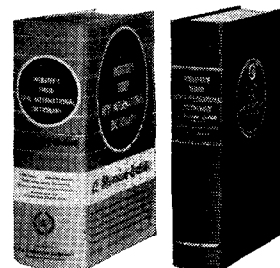
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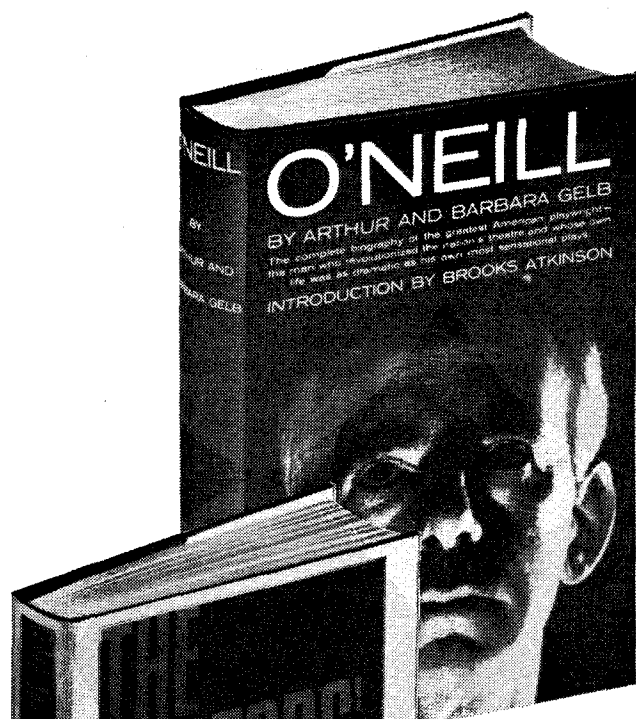
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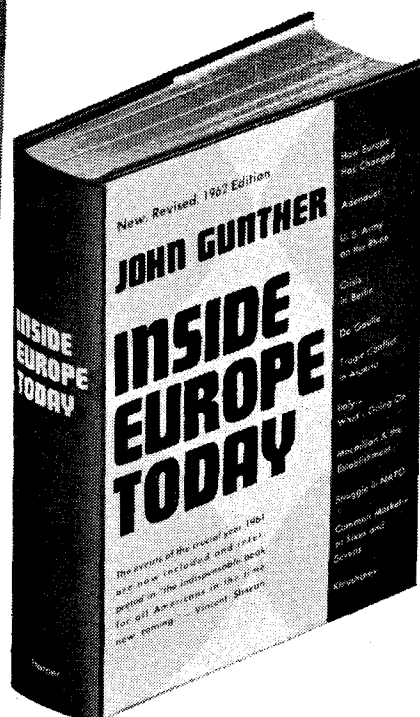
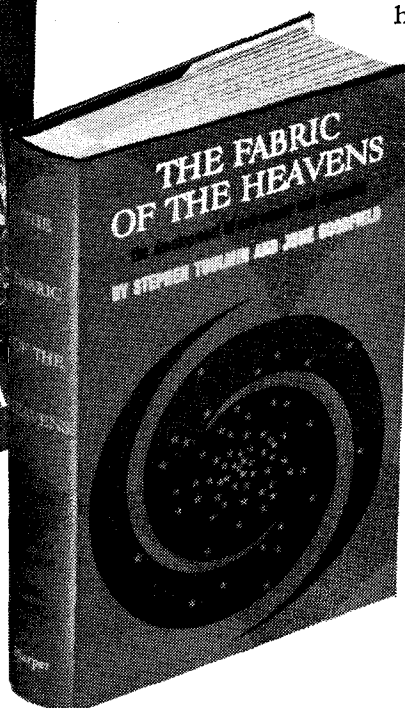
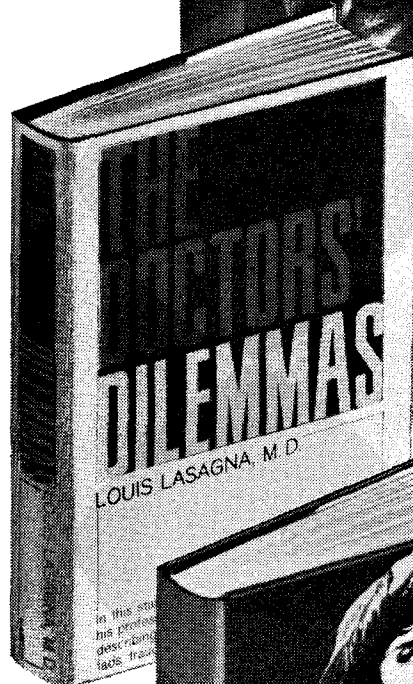
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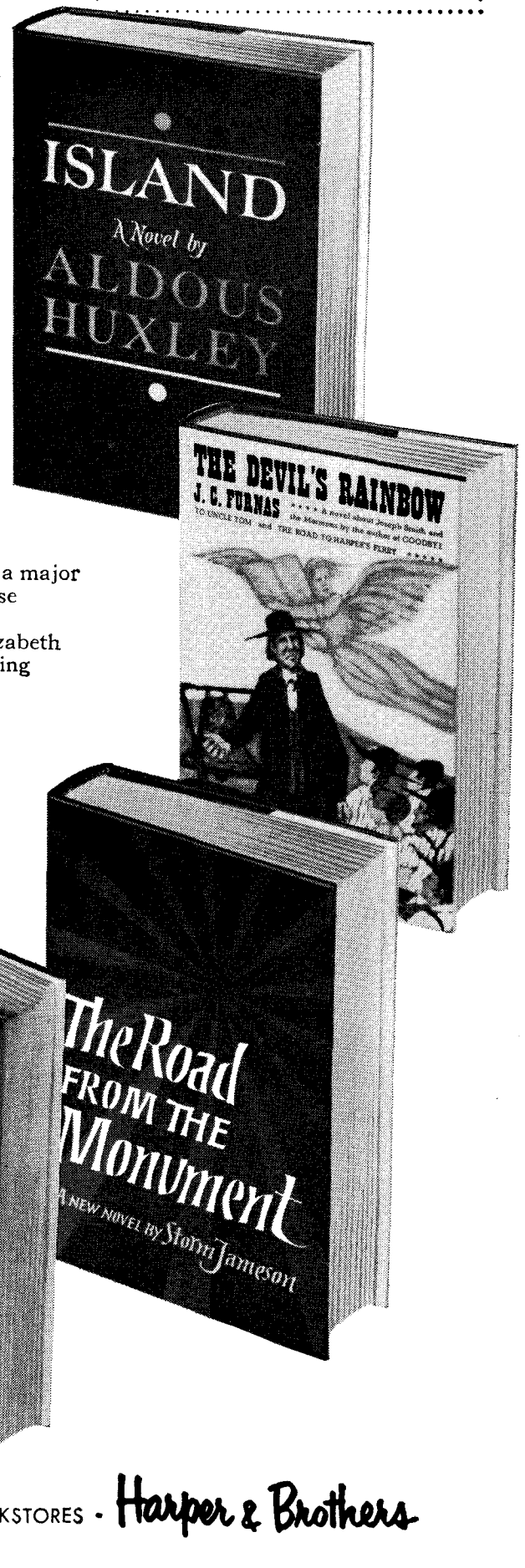
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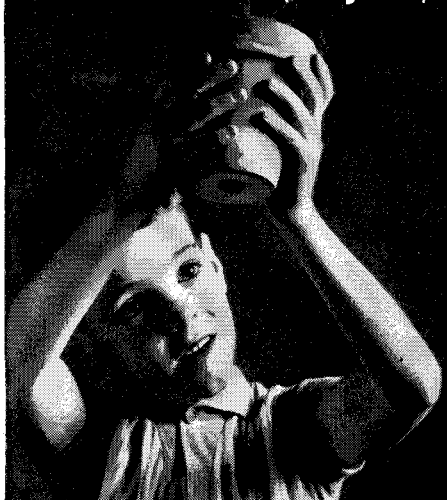
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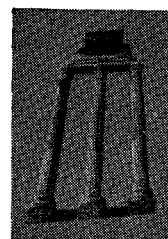
the year 1923. Nowadays, historical novels more often than not suggest ponderous pachyderms stuffed with cotton wool. Nothing could be further from Mr. Hughes's spare and agile style, from the rapidity with which he can shift his camera to catch whole galleries of characters, or from the kind of cinema suspense with which he can keep us on the edge of our chairs toward the end. All the same, his opening pages, vivid as a footprint on wet grass, lead us to expect only a poetic and intimate study of English country life, with its squires, servants, and tenants. But when Augustine, uncomfortable at the ferocity of his Welsh neighbors, flees abroad, this intimate poetry of rural England gives way to the Gothic panorama of Germany in the twenties, including a detailed historical narrative of Hitler's abortive beer-hall *Putsch* in 1923.

At this point the novel seems to split right down the middle. Abstractly, of course, we know the general theme that is supposed to unite the two halves: though the past has irremediably vanished, nobody is yet aware that this has happened, and both in Germany and England the post-war world is being built out of pre-war people. But how, concretely, these two parts of the animal are going to rejoin each other in the living flesh of the story, Mr. Hughes will have to show us in the novels that follow. If he does bring it off, *The Human Predicament* is bound to be one of the major works of the sixties.

LONG JOURNEY INWARD

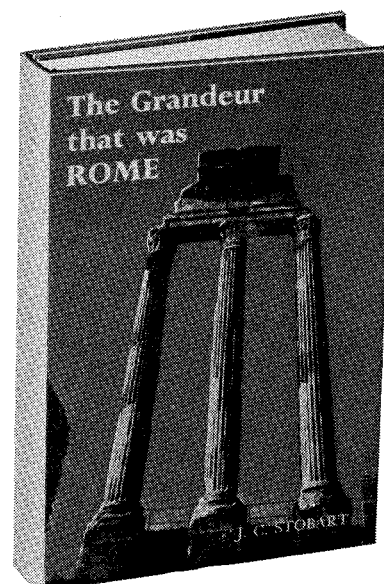
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RELL'S *THE DARK LABYRINTH* (Dutton, \$3.95) omits only one indispensable ingredient: the author's superior literary gifts, which can make an unfinished story into something infinitely more exciting and significant than any neatly wrapped, no-strings-hanging novel of a second-rater.

The Dark Labyrinth was written in 1945, but Mr. Durrell put it aside in order that he might devote time to his now famous Alexandria Quartet. Apparently, he wanted to elaborate more systematically certain ideas that had just begun to sprout in this book. The philosophical superstructure of the Quartet has always seemed to me somewhat top-heavy, so I do not mind the fact that this earlier book wears its symbolism more nonchalantly. Instead of the laborious working out of ideas, what comes through is the fine saline breeziness of Mr. Durrell, the accomplished spinner of yarns. And, of course, that wonderful Mediterranean atmosphere, clear and Grecian here, while the Quartet was turgid and Levantine. I find travel posters altogether handsome and decorative; and Mr. Durrell, it seems to me, writes just about the best travel posters going.

HOLLYWOOD AND VINA

Utopias are not very promising subjects for novels. We may quarrel with this world, distort it in fantasy, or caricature it in satire, but when we try to project another world altogether and make it wholly ideal, then our poor earthbound imagination falters and drops back on this, our poor best of all possible worlds because it is our only one.

Premonitions of this kind might have visited ALDOUS HUXLEY while he was writing *ISLAND* (Harper, \$4.00), a novel about a South Seas utopia, because he abandons the novelist's task for three quarters of the book in order to operate as a simple propagandist of ideas.

In *Brave New World* Mr. Huxley satirized the ghastly future when technology will have reduced humankind to a race of empty robots. Now, as if to balance that negative by a positive, Mr. Huxley portrays the ideal of what human society might be if it should overcome the dualism of flesh and spirit and unite science with mysticism, intellect with intuition. This is what has been done on the



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must get somewhat thinner because of the special world that he has staked out for himself as a writer — the cosmopolitan world of sexual adventurers, the sexually queer and perverse in all the near and far corners of the globe. But there is no sensationalism in the treatment of this subject matter; Mr. Isherwood is concerned with the souls of his people, and their sexual abnormality is treated only as a manifestation of a universal human loneliness and despair.

SAVING SALT

War, Clemenceau remarked, is too serious a matter to be left to generals. By the same token, psychology concerns all of us so deeply that we cannot leave it entirely in the hands of the psychologists. Emboldened by this conviction, **GERALD SYKES**, distinguished critic and novelist, has dared to venture into a field where the fratricidal war among the professionals is notorious, and he has returned from this foray with a masterly condensation of the psychoanalytic schools of our time, **THE HIDDEN REMNANT** (Harper, \$4.00).

Mr. Sykes's writing is brilliant, and his talent for condensation, extraordinary. To condense intelligently requires the insight that can put the psychologist together with his theory and re-create both imaginatively. No doubt, Mr. Sykes's insight will nettle some of the sectarians. For the rest of us, however, his great value is that he is able to place the various schools — those of Freud, Jung, Adler, and others — in dialogue with each other. The truth about the human soul is wide and deep enough to embrace the differing points of view of all the contending schools.

But, more than an expositor, Mr. Sykes is a lay preacher writing an urgent tract for the times to point out how in crucial areas of our life today — art, politics, and the uses of science — self-knowledge might mean salvation while its absence must mean disaster. Like Richard Hughes, Mr. Sykes believes that this century has embarked upon a unique adventure in self-knowledge from which there can be no drawing back. His saving remnant is those persons scattered throughout the amorphous mass of modern society who are willing to become individuals and for this purpose will take

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writers should appear at the same
time: SCOTT FITZGERALD, by AN-
DREW TURNBULL (Scribner's, \$5.95),
and O'NEILL, by ARTHUR and BAR-
BARA GELB (Harper, \$12.50). Any-
body who wants ammunition for the
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Biographers can become absorbed
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Irish, geniuses, drunks, and at various times reformed drunks, great successes at times, and at other times flops, and that they both led perfectly miserable lives, there is absolutely no resemblance between Fitzgerald and O'Neill. O'Neill was black Irish, brooding and solitary; Fitzgerald, the flamboyant Irish, captivating and reckless, impatient to transform every moment into the occasion for some lavish and romantic gesture. Of the two, Fitzgerald's life was the more tragic, since the range and subtlety of his literary talent, which we have learned to appreciate more since his death, was never completely realized in his work. O'Neill, despite enormous suffering, probably did get the most out of his very powerful but graceless talent.

In a human sense, however, Fitzgerald is understandable, while O'Neill remains a bleak and impenetrable mystery. What really did ail the man? His family background was bad, but there have been worse. Some disease of the imagination, crazily fixed upon the house of Atreus, projected its poison upon the past of the parents and the future of his own children. And this spiritual mystery is curiously matched by the physical mystery of the disease that afflicted him with spastic paralysis during the last years of his life. An autopsy, performed at his wife's request, disclosed that the disease was unclassifiable and without diagnosis.

THE MISERY OF SUCCESS

WILLIAM SAROYAN has been so in the habit of getting in front of his characters and talking for himself that it seems rather strange that he should have felt a need to write an autobiography at all; but he has done so in **HERE COMES THERE GOES YOU KNOW WHO** (Simon and Schuster, \$5.95), which tells what a hard life he has had since he became rich and famous.

Twenty-five years ago, when Mr. Saroyan appeared on the scene with some wonderfully spontaneous short stories, he was careful to inform the public on as many occasions as possible that he, the author, was a genius. He has not become any more modest over the years. "I am great and proud to be great," he confesses in the present book. But what could pass in a young man in

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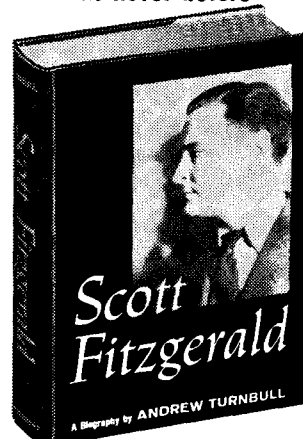


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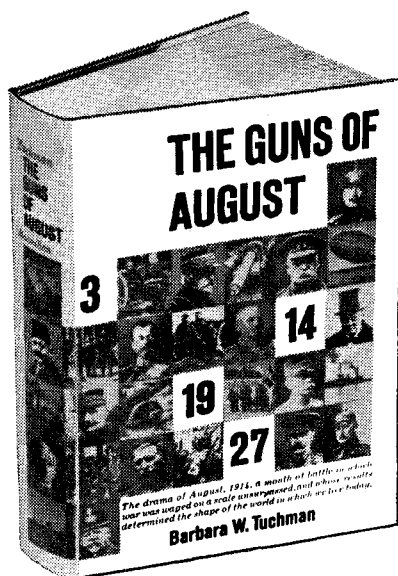
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his twenties hardly comes well from a man in his fifties.

Yet, the book does come alive with flashes of the old Saroyan gusto and charm. Mr. Saroyan's theme — the hollowness of the American success story — may be hackneyed, and the attitudes he strikes often verge on breast-beating exhibitionism; but somehow he cannot altogether bury the writer beneath this troubled confession. Here and there the book lights up with moments of wonder and life that recall the Saroyan of the stories and plays.

FIRST SHOTS OF TALENT

A young Southerner, REYNOLDS PRICE, has written an exceptionally fine first novel, *A LONG AND HAPPY LIFE* (Atheneum, \$3.95), and, all told, Mr. Price looks like one of the most promising talents to have emerged for some time.

Mr. Price's opening did put me off; the writing seemed lush, and I feared that this might turn into a light trifle of Southern sweet talk and honeysuckle. But very quickly it became clear that this was no purveyor of gossamer sensibility but a very sure and adult writer with a firm grip upon his materials.

These materials are very modest. Mr. Price's people are simple rural folk in North Carolina, and his plot is slight: the seduction of a young girl by her young man, his return to discover she is pregnant, his proposal of marriage, and her acceptance. But this slight thread of plot is so interwoven with all the textures of family life, and Mr. Price's feeling for the girl and what passes in her mind is so sure, that by the time we have finished the book we have been involved in those major matters of life, death, and the dawning of truth upon the human mind that have always been the substance of great fiction.

The book moves toward its close at a beautiful pace. And the ending itself — the girl, about to have her young man at last, sees her future life with him suddenly deflated and common, and yet she must go forward to that future — is a wonderfully sustained portrayal of a delicate shift in perspectives that can stand comparison with Joyce's "The Dead." Romance has been punctured, but what remains, though more troubled, is more human and moving.

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BY PHOEBE ADAMS

LEONARD R. PALMER, professor of comparative philology in the University of Oxford, has set off, in *MYCENAEANS AND MINOANS* (Knopf, \$6.00), a sober, courteous, scholarly petard designed to hoist a good deal of the Aegean prehistory established by Sir Arthur Evans right into Limbo. Working from the recently deciphered Linear B script and the excavations at Pylos, Professor Palmer concludes that Evans' Cretan time scheme was wrong by several centuries and that, consequently, his assumptions about the political history and relationship of Crete and the mainland were inaccurate. The book requires of a reader intense interest in prehistoric Greece and a moderate knowledge of the archaeological history of the region.

THE IVY TREE (Mill-Morrow, \$3.95) by MARY STEWART is an adventure story of the orthodox damsel-in-distress type with a bit of Ruritanian masquerade thrown in to boot. So many people have spoken so well of Miss Stewart that I may have been led to expect too much of this book. The author has a neat touch with red herrings and cambric-tea romance, but I would not count her as a threat to the laurels of Ngaio Marsh.

THE SCARLET BOY (Harper, \$3.95) is another thriller, by ARTHUR CALDER-MARSHALL, who seems to be following *The Turn of the Screw* but is actually taking a bearing on *Dracula*. Readers who cannot tolerate objective ghosts had better avoid *The Scarlet Boy*, which is nevertheless a very good piece of work within its own genre.

S. L. A. MARSHALL'S NIGHT DROP (Atlantic-Little, Brown, \$6.50) reconstructs the American airborne invasion of Normandy in 1944, following the fighting through from Tuesday to Sunday. Brigadier General Marshall was official combat historian of the action, and the information that he laboriously collected from the men who survived it has been invaluable to other writers. *Night Drop* confines itself to the doings of the American force, which were immensely complicated because all the plans went askew at the start,

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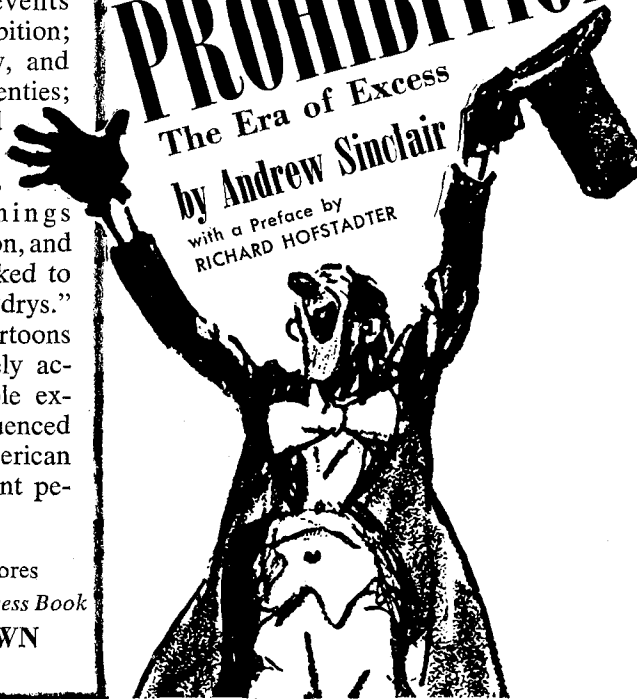
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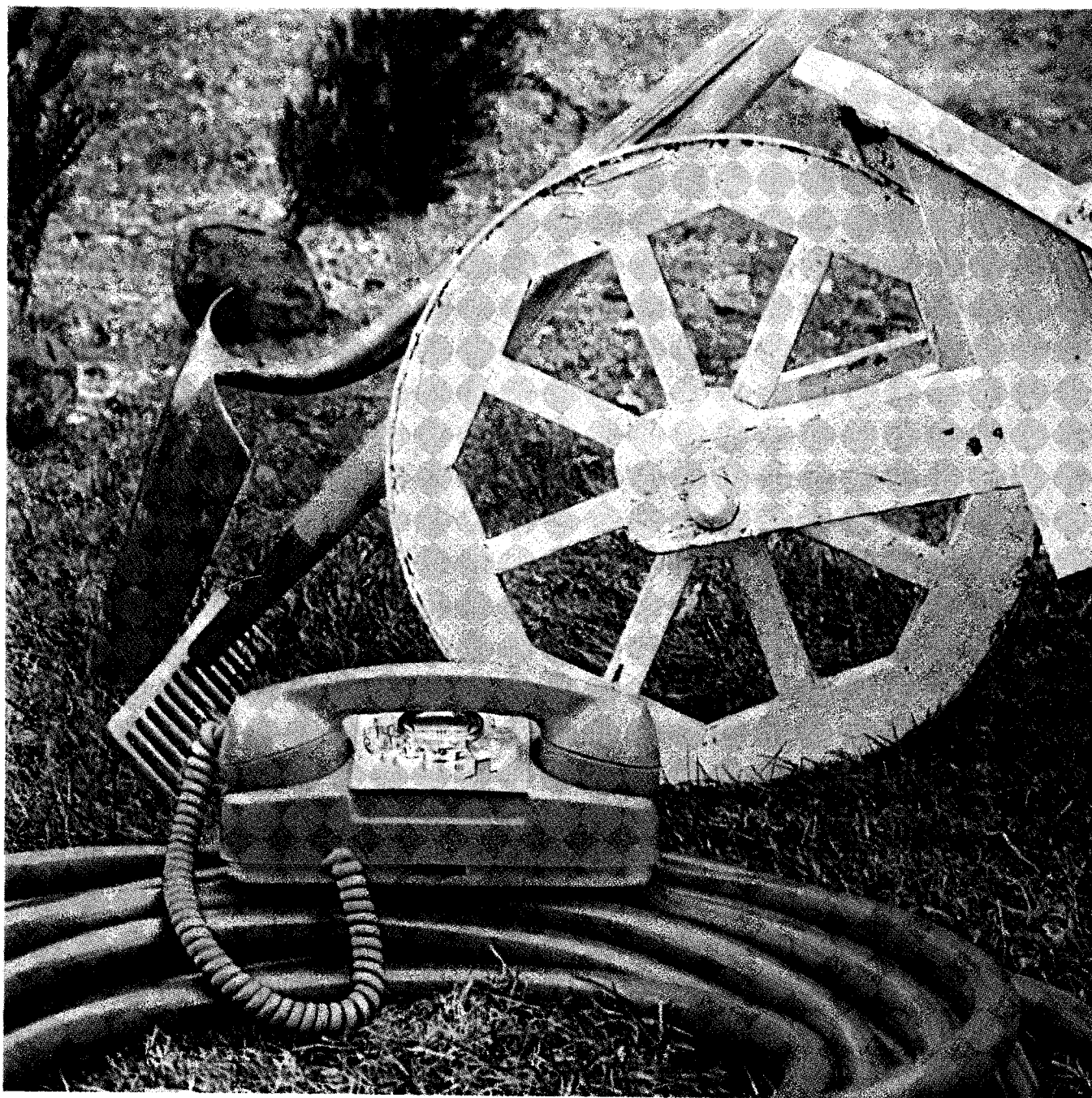
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producing a series of difficulties and also, less predictably, a series of miraculously lucky accidents. The book is not easy reading, because the terrain must be constantly kept in mind and the men are identified by unit and location rather than by character, but the astounding information it contains, the tales of courage, cowardice, confusion, and brilliant improvisation, make it worth the effort involved.

JAPANESE CERAMICS by ROY ANDREW MILLER, HOKUSAI by RUSSELL CONNOR, and SOTATSU by JUDITH and ARTHUR HART BURLING (Crown, \$1.45) are the latest publications of the Art of the East Library series. These neat little paperbound books, printed in Japan, offer short, fact-jammed texts that are serviceable or, in the case of the eccentric and quotable Hokusai, better, while the color reproductions of Sotatsu’s great screens, Hokusai’s prints, and a millennium of pots are always adequate and sometimes more than that.

THE BULL FROM THE SEA (Pantheon, \$4.95) is MARY RENAUULT’s sequel to *The King Must Die* and follows the hero Theseus to his own end. Miss Renault’s work is somewhat related to the novels of Robert Graves, with whom she shares a preoccupation with the question of how the old Mediterranean mother goddess came to be superseded by a sky god. She is, however, altogether more romantic in her approach to the heroic age, and it is possible to enjoy the wild enterprises of her Theseus without bothering one’s head about comparative religion.

MY BROTHER, ERNEST HEMINGWAY (World, \$4.95) by LEICESTER HEMINGWAY is just what the title implies, a younger brother’s affectionate, respectful, exasperated account of his distinguished senior. I do not mean this as a denigration of Mr. Hemingway’s book. What he reports may not always be true in detail — it is hard to believe in the verbatim accuracy of conversations recalled from 1918 — but it has a general tone of family solidarity and sympathy that rings true. Mr. Hemingway concentrates on his own relations with Ernest. The rather stuffy family background of their childhood is presented lightly, without rancor, and Hemingway’s final illness and suicide are described, as all his personal affairs are described throughout the book, in restrained, flatly factual terms.



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